



Lancashire
Enterprise Partnership

Business Plan

2017/2020



Lancashire: The Place for Growth

**NORTHERN
POWERHOUSE** HM Government

www.lancashirelep.co.uk

Introduction

This document begins to set out the priorities for the LEP's programme of work over the next three years. It highlights key blocks of activity where the LEP will either lead or support the programmes of Lancashire's Combined Authority.

This work programme captures activities from key strategic thinking to the development of a refreshed Strategic Economic Plan for Lancashire, continued support for key sectors and existing businesses and the emerging work programme which will tell Lancashire's story in a more ambitious and confident way.

Whilst in the medium term, we can plan with some certainty around existing major programmes, this Business Plan must also remain flexible to embrace and champion new funding, economic growth and market-driven opportunities.

The programme of activity set out within this Business Plan will make an important contribution to the success of the Northern Powerhouse and continue the process of rebalancing the local economy. It will also demonstrate how the LEP can support broad based growth that enables the widest range of people and places to both contribute to, and benefit from, economic success.




Edwin Booth
Chairman
Lancashire Enterprise
Partnership

Getting to the Future First

The Lancashire Enterprise Partnership's (LEP) priorities over the next three years.

Building on the LEP's strong track record for delivery, we are moving forward with a clear set of priorities for the next three years. Working with local partners and the Combined Authority, the LEP will continue to work to ensure the development of a strategic project pipeline to take advantage of local and national investment streams and policy initiatives.

The LEP remains aware of the need to continue to raise its profile and strengthen communications with local stakeholders. It will build on recent communication initiatives to raise the profile of Lancashire as an inward investment destination of choice.

The LEP is looking forward to working with the Combined Authority to secure a Devolution Deal for Lancashire.

The LEP also views the Northern Powerhouse as a positive framework that will enable Lancashire to position its economic strengths and forge stronger cross-boundary links across the north, and will respond positively to Government's renewed focus on a place-based industrial strategy.

The LEP's priorities for 2017/2020

1. A Plan for Lancashire's Economy

a A new Strategic Economic Plan for Lancashire:

Since the LEP's first Strategic Economic Plan (SEP) was developed in 2014, the context in which it was developed has changed significantly. Driven by changes in the economy itself, a new national policy framework, the challenges and opportunities of Brexit and new governance structures in Lancashire, led by the Combined Authority, the time is right to review and update the LEP's central policy document. Work has already begun assembling the evidence base which will underpin the refreshed document.

for the LEP to be able to clearly demonstrate how its investments in infrastructure, housing, skills and business growth projects have directly driven productivity levels within the local business base.

Work is already underway to investigate the specific productivity issues within Lancashire economy, with the LEP having commissioned UCLan to support the development of this analysis.

The LEP will build on the evidence of the SIA to look more broadly at the innovation eco-system across Lancashire's key sectors and to develop more robust leadership and governance arrangements around the innovation agenda. Whilst the case for new assets and facilities will continue to be tested, there will also be a focus

on the co-ordination and impact of those facilities in which the LEP has already invested.

Internationalisation, meaning both the level of export activity across the Lancashire economy and the attractiveness of the location for inward investment, will figure more strongly in the next SEP. The Lancashire Chambers have already initiated a piece of work to specifically explore the opportunity to support more businesses to engage in export activity.

Northern Powerhouse Independent Economic Review (NPIER) findings

The North's performance gap is persistent and entrenched, averaging about 25% against the rest of England, and almost 15% when London is removed.

Having been on a downward trend since the early 2000s, the gap has widened since the 2008/09 recession.

Productivity accounts for the largest proportion of the performance gap, and is also associated more closely with the widening of the gap in the post-recession period.

b A new focus on Productivity, Innovation and Internationalisation:

Recent work on developing projects, including the Science and Innovation Audit (SIA), has highlighted the need

The LEP's priorities for 2017/2020

2. Developing Great Places to Live and Work

a City Deal:

With the strong progress made to date in delivering the City Deal and the increasing collaboration City Deal partners have demonstrated in delivering the City Deal infrastructure within the City Deal period, partners are exploring the potential to extend the City Deal period from 10 to 15 years to enable further housing and economic growth in central Lancashire.

The City Deal partners believe that full utilisation of HCA "Direct Delivery" and "Starter Homes" initiatives have the potential to accelerate the pace of housing delivery in the City Deal area.

The partners are mindful of the need to continue to review and monitor housing and development market conditions post Brexit, as the full economic impact of the UK's decision to leave the EU becomes known.

Programme leaders are focussed on central Lancashire, the place, and in addition to delivering strategic housing, employment, commercial and leisure sites, the City Deal Executive is also currently working with a range of strategic partners including the Lancashire Skills Hub, the Lancashire Growth Company, Boost; Lancashire Business Growth Hub, education providers, health agencies, the Environment Agency and Network Rail on a range of strategic plans and projects including:

- The transformation of Preston Railway Station;
- Garden Village proposals;
- Implementation of the City Deal Skills and Employment Action Plan;

- Development and implementation of the City Deal Community Infrastructure Plan; and
- Exploring opportunities to strengthen the role UCLAN can play in the local area; and
- A strengthened City Deal inward investment offer.

The City Deal Executive leadership is awaiting the outcome of Government changes to funding streams which could impact upon the City Deal and looks forward to a meaningful negotiation with Government in due course.

b Wider place-making:

Wider place-making initiatives in areas including Lancaster, Burnley and Blackpool feature strongly in our current Growth Deal projects and in our strategic development pipeline. The LEP is committed to working with Lancashire's Combined Authority to fully realise the potential for accessing investment for housing, infrastructure and transport projects and ensuring that this investment drives inclusive growth.

3. Supporting Business Growth

- a Boost; Lancashire's Business Growth Hub:**
Over the next three years the main focus of Lancashire's Business Growth Hub will be to consolidate and deliver its new programme of activity and re-branded website. Over the Business Plan period Boost is targeted to provide detailed advice and brokerage to 750 eligible businesses, to work intensively with a further 720 businesses and to support businesses to create almost 400 jobs.
- In addition to its core programmes, the Business Growth Hub will also continue to explore options for its further development and long term sustainability.
- b Manage emerging ERDF Projects:**
The duty of the Business Growth Hub to produce and manage a simplified offer of publicly funded business support will constitute a significant element of the workload for 2017/2020. A further 7 ERDF funded programmes will be launched imminently, with the potential for a further 12 programmes to be launched in 2018. These programmes need to be properly co-ordinated so as not to displace commercial provision and also to work with the existing offer provided by local authorities and other partners. With the support of the LEP's Business Support Management Board, the Business Growth Hub will market and direct appropriate referrals to these new services and work with providers to ensure that programmes are complementary and fully respond to the strategic priorities of the LEP.
- c Position Lancashire projects for post Brexit Funding Opportunities:**
Business support staff will work with colleagues from Lancashire County Council's European Funding Team and the Combined Authority to manage the transition from European Structural and Investment Fund (ESIF) to any new regime of regional funding which might succeed the current arrangements.
- d Work with Creative Lancashire to promote the Queen's Award:**
Accessing the wealth of experience within Lancashire's business leaders, the LEP will seek to work with Creative Lancashire to promote, coach and mentor businesses through the process of seeking Queen's Award accreditation. This is viewed as an excellent promotional tool for both Lancashire and its business community.

The LEP's priorities for 2017/2020

4. Investing in Growth

- a **Continued oversight of the delivery of Growth Deal Projects:**
The LEP's Growth Deal Management Board will continue to oversee and monitor the delivery of the 39 projects which have received funding through successive Lancashire Growth Deals and will also manage the initiation of any new projects in Growth Deal 3.
- b **Management of the Growing Places Investment Fund:**
The LEP will continue to use its Growing Places Investment Fund to unlock development opportunities and bring forward key development, business, infrastructure and housing projects. The LEP will also begin to consider how differing streams of available commercial funding can be co-ordinated to ensure maximum impact across Lancashire. This "fund of funds" approach will form the basis of a new investment strategy which will sit alongside the SEP.
- c **Northern Powerhouse Investment Fund:**
Lancashire has committed £12.5m of ESIF resources to the emerging Northern Powerhouse Investment Fund and would look to recoup at least double this amount of investment in the five years of the operation of the programme. The fund will provide micro, loan and equity finance for businesses. However the LEP will ensure that the offer is well understood and that complementary services such as Access to Finance provision supports those businesses who require finance to support their growth.
- d **Evergreen:**
A review of how the Evergreen (Jessica) fund operated in the last European Programme and the benefits it could have for Lancashire moving forward is underway. Should this work conclude that there is a need for this development finance programme, the LEP would look to ensure that the £10M allocated through its ESIF resources is properly used and drawn down to unlock development across Lancashire.

5. Championing Key Sectors

- a The Continued Development and Promotion of the Lancashire Enterprise Zone Programme:**
Lancashire's four enterprise zones (across three sites) are strongly aligned with the Lancashire's key sectors, with each site focussing on advanced manufacturing, energy and the advanced materials and chemicals sector. The LEP will seek to escalate the wider promotion of these sites and ensure they create assets which will act both as a catalyst for development and as a wider resource to support the development of sector supply chains across Lancashire.
- b Working with key businesses and sector representative bodies:**
The LEP will continue to work with industry partners to define opportunities and challenges to growth, developing innovative investment programmes
- c Emerging key sectors**
Over the course of the next three years, Lancashire will see a number of new sectors and technologies emerging where the combination of our business base and innovation assets could genuinely fuse to create new world-class clusters of activity. New, highly regulated approaches to energy production in the nuclear, renewables and gas sectors could all drive innovation, employment and growth.

The LEP and partners have already begun to position sites and educational support at all levels for these new developments, seeking to capture a greater share of the potential value added and high quality jobs.
- d Visitor Economy:**
Last year, a new Visitor Economy Strategy was commissioned by the LEP to maximise future growth opportunities for the sector with the overall aim of increasing visitor numbers, through a focus on staying visitors, to help drive more visitor spend within the local economy. The strategy is accompanied by a Destination Management Plan which sets out a framework of actions over the next 3 years that will help deliver an additional 6.3 million visitors and £650 million in visitor spend as well as generating an additional 5,000 FTE jobs within the sector. Marketing Lancashire is the designated Destination Management Organisation for the county who will lead activity with tourism partners to implement this plan.

The LEP's priorities for 2017/2020

6. Developing Lancashire's Skills Base

- a **Implementation of the Lancashire Skills and Employment Strategic Framework:**
Working with the Shadow Combined Authority, the LEP's Skills and Employment Board will further develop and implement the strategic framework developed over the last year.
- b **Strategic oversight of European Social Fund activity and further allocation of funding:**
Key investments to support individuals in work, those who are unemployed and young people not in education, employment or training have already been committed using European Social Fund (ESF) monies. These projects offer the opportunity to build capacity in the Lancashire Skills Hub and to provide activity which has the potential to support over 20,000 Lancashire residents. The LEP will ensure that partners contracted to deliver these programmes work effectively for Lancashire utilising the resource available. In addition, as with ERDF, the LEP will maintain oversight of further, locally matched ESF projects and advance local priorities for investment as and when the ESIF regime is replaced.
- c **Successful completion of the Area Based Review (ABR) of FE and Sixth Form Colleges and oversight of implementation plan:**
Working with the Shadow Combined Authority, the LEP's Skills and Employment Board has already presented the local "challenge" to the team conducting the Area Based Review. Any conclusions, changes or different models of working which arise from the review will be monitored on behalf of the LEP by the Lancashire Skills Hub.
- d **Allocation of remaining Growth Deal Skills Capital funding to priority projects, following completion of the ABR:**
Working alongside the Growth Deal Management Board, the Lancashire Skills Hub will explore if the retained Skills Capital budget from Lancashire's Growth Deal 2 can be used to facilitate positive changes recommended as part of the ABR.
- e **Implementation of the Apprenticeship Growth Plan for Lancashire:**
Progress towards the Apprenticeship Levy for larger employers as well as emerging difficulties in recruiting young people for apprenticeship opportunities, both emphasise the importance of developing a co-ordinated approach to improving the number of apprenticeships in Lancashire over the next three years.

7. Telling Lancashire's Story in a more ambitious and confident way

a Taking the Lancashire narrative to the market:

Led by Marketing Lancashire, the exercise conducted over the past year has brought together a large range of local partners to develop an agreed Lancashire narrative. This narrative will now inform a set of strong and consistent messages about Lancashire which the LEP will take to national and international markets over the next three years.

Key objectives will include:-

- Giving national policy-makers a better understanding of the economic potential and assets of Lancashire.
- Taking the market opportunities available within Lancashire's key sectors and sites to key national and international market places.

- Consistently highlighting the work of the LEP to national and local partners, to build an increased understanding of its role, achievements and track record.

b Inward Investment:

The LEP will develop a consistent programme of inward investment activity over the next three years, working with local partners to market key site and sector opportunities and also the strengths of its industrial clusters and supply chains.

c Internationalisation:

Trade and export underpins the competitiveness of many Lancashire businesses from traditional textile and furniture production companies, to digital animators working with the international video games producers. We believe that Lancashire has a strong hand to play as the UK potentially re-orientates its trade arrangements and we are also fortunate that in Lancashire's Chambers of Commerce, we also have some of the best equipped intermediaries to promote and encourage this change. Working with UKTI, we will seek to provide local business with the skills and opportunities to realise the growth potential of exploring relevant markets and exploiting the potential of newly competitive exchange rates for British goods and services.



The LEP's priorities for 2017/2020

8. Better Connectivity

- a **Delivery of existing Growth Deal Transport Projects:**
Supported by the Growth Deal Management Board, the LEP will continue to ensure that transport and infrastructure projects funded through Growth Deal resources are delivered in such a way that they realise value for money thresholds and deliver economic and social value objectives.
- b **Working with new governance structures:**
The LEP will work alongside the Shadow Combined Authority to ensure that Lancashire retains a strong and coherent transport strategy and is able to draw down national resources for infrastructure developments which support economic growth and housing opportunities.
- c **Strategic transport prospectus**
To follow
- d **Transport for the north**
To follow
- e **Digital Infrastructure and Connectivity:**
By the end of 2018, building on the public investment made in the Superfast Lancashire project, commercial providers should have delivered superfast broadband access to 99% of premises in the LEP area. Working with local authority partners, the LEP will prioritise support for a strong digital sector within Lancashire, in ensuring that businesses fully utilise the potential of this level of connectivity to provide residents with the digital skills to fully participate in employment and society.

9. A LEP structure that's fit for purpose

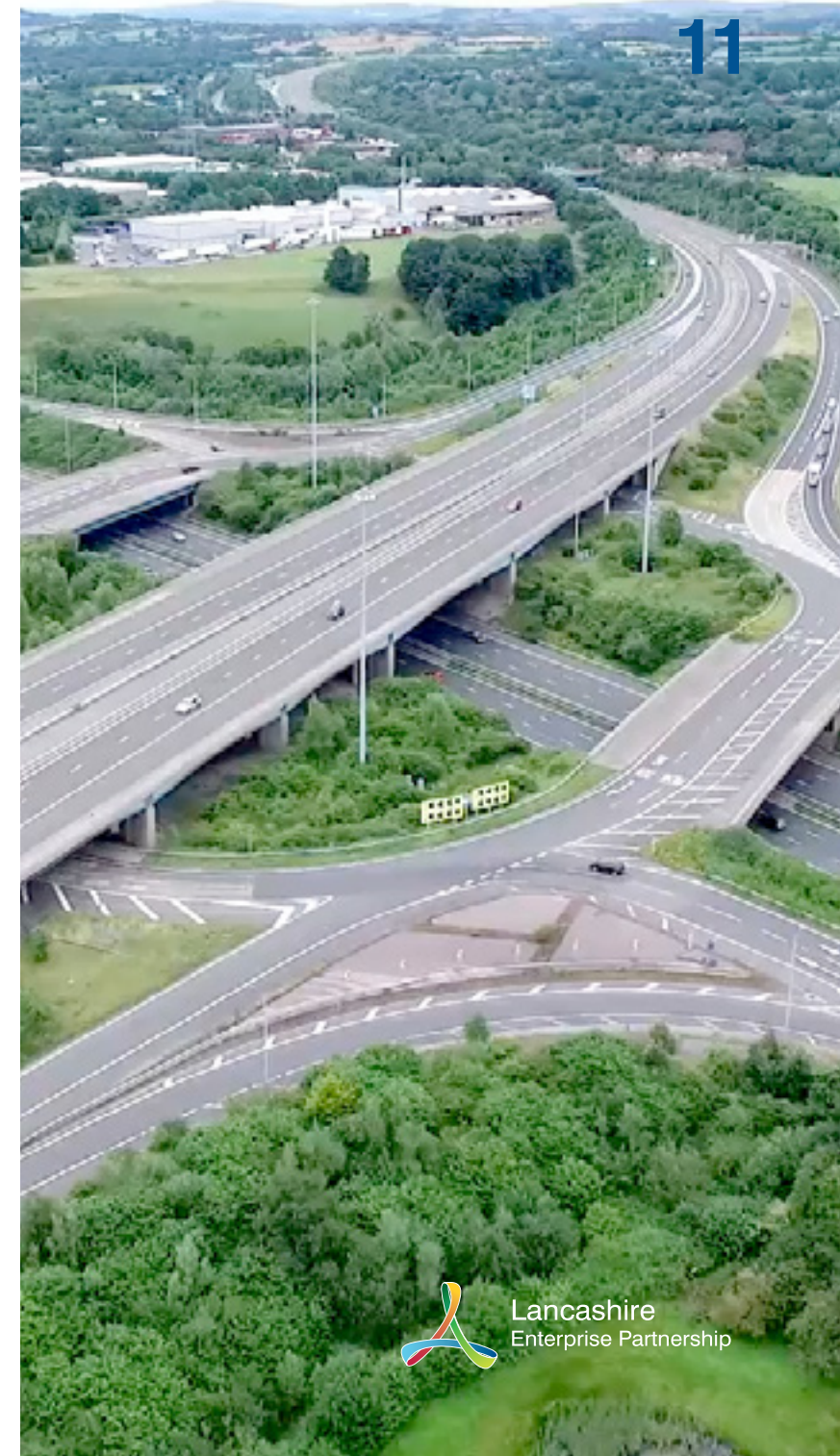
a Working Effectively:

The LEP will continue to explore ways in which it can provide a robust and accountable platform for the funds it manages, whilst remain agile and efficient in its stewardship of these funds.

b LEP and Partner Capacity:

The LEP recognises the need to support and further develop its own capacity and that of our partners to ensure the continued development of a robust strategic project pipeline. Over the coming years the LEP will seek to:-

- provide strategic support to partners in scheme and business case development.
- unlock and deliver key difficult schemes.
- sustain and refresh the project pipeline.
- bring coherence and co-ordination to the use of those assets where the LEP has already invested.



Investing for Growth

Local Capacity and Resources

We will invest to help facilitate the right conditions for growth.

The LEP is committed to re-establishing Lancashire as a major growth centre by unlocking the area's sectoral strengths and capabilities whilst also tackling its most acute growth and productivity challenges.

Through the ambition and approach set out in the SEP, which was published in 2014, the LEP and its local partners have established a growth plan valued at nearly £1 Billion with a reputation for bringing forward innovative initiatives of scale, including:

- THE £450M Preston, South Ribble and Lancashire City Deal, which is recognised as one of the country's leading City Deals, and is on its way to creating 20,000 new jobs and nearly 20,000 new homes;
- The £252M Growth Deal programme, which is seeking to maximise social value outcomes and which is on track to deliver up to 8,000 new jobs, 3,000 new homes and £140M in new private sector investment by 2021 – a growth programme only bettered by much larger city-regions;
- Boost, Lancashire's high performing Business Growth Hub, has worked with over 3,000 local SMEs and created over 1,300 new jobs in less than 3-years, with a further phase of business growth underway over the next two-years to double this level of performance;
- The Lancashire Enterprise Zone cluster programme is creating an investor offer of Northern Powerhouse significance capable of supporting 10,000 new jobs in the advanced manufacturing, energy and chemical sectors;
- The LEP, through its Skills and Employment Board, is one of only a few LEPs to have fully invested its Growth Deal Skills Capital Fund. Over £25M has been invested in 16 projects, including £6.2M in Blackpool and Fylde College's Lancashire Energy HQ which will be based on the Blackpool Airport Enterprise Zone, delivering the higher technical skills required by a growing energy sector. Our current Skills Capital programme will deliver over 7,300 learner outcomes, including apprenticeships, in our priority sectors;

- The £20M Growing Places investment fund, which has recently completed its 8th commercial investment is focused on unlocking development and business growth opportunities. The fund has successfully invested in commercial opportunities in some of Lancashire's most deprived areas helping to create almost 3,000 new jobs, 150 new housing units and almost 500,000 ft² of new industrial and commercial floor-space, whilst generating £700,000 in interest for the LEP to re-invest;
- A major programme of renewal focused on Blackpool to help enable the town, the country's most deprived, to establish a stronger economic-base whilst tackling its acute social problems especially in the local private rented housing market;
- Establishment of Transport for Lancashire, a fully functioning and dedicated committee of the LEP which in time will transfer to the Shadow Lancashire Combined Authority, and which has enjoyed significant success in establishing a local transport investment programme of national significance. For example, Lancashire was the first LEP area without a Combined Authority to secure a 10-year transport funding allocation in support of its Preston, South Ribble and Lancashire City Deal;
- Transport for Lancashire is also supporting the ambitions and aspirations of Transport for the North and developing strong cross-boundary economic relationships with neighbouring city-regions.



Invest for Growth

Improving productivity and targeting innovation

Our SEP which focuses on Lancashire's Arc of Prosperity which sweeps across the county, linking key economic assets, high value business clusters, centres of research, innovation and training excellence and new housing growth opportunities, has enabled the LEP and local partners to identify ambitious growth priorities.

The emphasis the LEP has placed on improving the capability and capacity of its local economy, seizing new market opportunities and overcoming barriers that constrain growth is also helping to re-establish Lancashire as a national economic leader. The recently published Northern Powerhouse Independent Economic Review identified four prime

capabilities – advanced manufacturing, energy, health innovation and digital developments – critical to the economic success of the North. These priority growth sectors are already identified in the SEP, with new and updated analyses to be used to refresh the strategy focussed on these assets.

Strategic Pipeline Development

The LEP and Combined Authority have worked hard to develop a prioritised and independently assessed strategic pipeline of activity which directly supports national growth objectives, the delivery of our SEP and our emerging Devolution Deal priorities with Government.

The LEP will continue to work with both the Shadow Combined Authority and the private sector to develop a strategic pipeline through a transparent process, ensuring the LEP's national track record for delivery, as well as a reputation for strong and inclusive strategies and innovative and commercial operating models is maintained.

The LEP will also ensure its strategic pipeline is fully consistent with national growth objectives, including the Government's Industrial Strategy, delivery of Enterprise Zones and new housing growth initiatives.

The LEP will also demonstrate greater cross-boundary collaboration and further private sector leverage, whilst also maintaining a focus on our priority sectors, key growth assets areas of need and ensuring inclusive growth.





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