
Report to: Business, Innovation and Growth Panel

Date: 26 February 2019

Subject: **Local Inclusive Industrial Strategy**

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1. Purpose of this report

- 1.1 To update BIG Panel on progress to develop a Local Inclusive Industrial Strategy (LIIS) for Leeds City Region.

2 Information

Background

- 2.1 In early 2018, the LEP Board and Combined Authority agreed that work would begin on the development of a LIIS for Leeds City Region. Sitting at the heart of a new, long-term strategic framework, the emerging LIIS will focus on bold steps aimed at driving inclusive growth, boosting productivity and improving living standards for a post-2030 economy. The latest version of the Policy Framework is provided in Appendix 1 of this report.
- 2.2 Guidance in the form of a policy prospectus on Local Industrial Strategies was published by Government in early October¹ 2018. The guidance highlights that agreeing a Local Industrial Strategy will be a necessary condition for LEPs and Mayoral Combined Authorities to draw down any future local growth funding being deployed. The prospectus also states that Local Industrial Strategies 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.
- 2.3 A LEP Board away day was held in September 2018 to help shape thinking on the development of the Leeds City Region's LIIS. Government representatives were invited to attend the event to update on the latest developments nationally and provide input and steer on Leeds City Region's proposed

¹ <https://www.gov.uk/government/publications/local-industrial-strategies-policy-prospectus>

approach. A summary of key messages discussed at the away day is provided in Appendix 2 to this report.

Following the LEP Review (September 2018) there is now local consensus that supports, subject to final agreement, the establishment of a LEP covering West and North Yorkshire, and York. Teams from the two existing LEPs are therefore working towards the development of one single Industrial Strategy to cover the entire geography. Latest indications from Government suggest working towards a deadline of December for a final version which can be signed off by Government.



Process

- 2.4 Government guidance is clear on the need for Local Industrial Strategies to be underpinned by robust evidence drawing out relative strengths and weaknesses, with an emphasis on productivity. The two LEPs are not starting from scratch and have a strong evidence base on which to build. For the Leeds City Region, tools such as the annual Business Survey and a new Household Survey will play a key role providing primary data to support policy development. This will continue to develop as work is ongoing and will be informed by additional in-depth research into particular issues.
- 2.5 Additional work will be undertaken where there is a gap in the existing knowledge base and a more intensive examination of the issues is required and will include focused work around: Productivity; Innovation; Supply Chains; Clean-Tech; and Health-Tech covering the new geography.

A call for evidence has also been published to allow the research community to help inform the development of the LIIS. Interested parties are encouraged to submit evidence before 31 March 2019. <https://www.westyorks-ca.gov.uk/projects/local-industrial-strategy/>

- 2.6 Plans are also being developed to establish an independent expert panel to provide expert challenge and critical review of the evidence base and subsequent policy priorities. Members of the panel will be invited by both LEP Chairs and drawn from academia, business, the public sector (including large employers such as the NHS), and the voluntary and community sector. The panel will complement existing LEP groups and panels by providing an independent view across all areas of the LIIS.
- 2.7 Working alongside the panel will be activity to engage with business, community and citizen groups to best understand their priorities and the role that the new LEP can play in meeting these. Reflecting the scale and long-term ambition of the LIIS, we will seek to engage with young people on their views and input into shaping our proposals through significant youth engagement.
- 2.8 A progress statement will be prepared to share with stakeholders in April/May 2019, which will align with plans to shape a submission to the Comprehensive Spending Review.

3. Financial Implications

- 3.1 In addition to core staff resource to support research and intelligence activity, a budget of approximately £200,000 is available from Combined Authority / LEP internal budgets across the financial years 2018-19 and 2019-20 (subject to business planning and budget setting) to support development of the evidence base for the LIIS. In addition, there is potential to access up to £130,000 which forms part of funding identified in the 'Strengthened Local Enterprise Partnerships' guidance² for capacity building. The additional funding has not been confirmed and will be subject to Government approval.

4. Legal Implications

- 4.1 There are no legal implications directly arising from this report.

5. Staffing Implications

- 5.1 LIIS forms a central component of the Combined Authority and LEP's programme of work to broaden its policy range. This will require capacity and expertise from the Combined Authority, local authorities and other partners. This can largely be provided within existing resources.

² <https://www.gov.uk/government/publications/strengthened-local-enterprise-partnerships> this funding has been identified to provide LEPs with 'additional capacity funding' for development.

6. External Consultees

6.1 External engagement to inform the development of the Local, Inclusive Industrial Strategy is anticipated to commence in spring 2019.

7. Recommendations

7.1 That the BIG Panel notes progress made and endorses the proposed way forward on development of the evidence base.

8. Background Documents

8.1 There are no background documents.

9. Appendices

Appendix 1 – Leeds City Region Policy Framework

Appendix 2 – LEP Board away day key messages