
Report to: Business, Innovation and Growth Panel

Date: 10 September 2019

Subject: **Local Industrial Strategy Development**

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1. Purpose of this report

- 1.1 To update the Panel on progress to develop a Local Industrial Strategy (LIS). This paper provides an update on the development process, while a presentation at the meeting will provide an overview of the emerging draft priorities.

2. Information

- 2.1 As previously reported, a LIS is being developed for the LEP area which will focus on bold steps aimed at boosting productivity and driving inclusive and clean growth for a post-2030 economy. This will be completed by December 2019, to be signed off by Government in March 2020.
- 2.2 Work has commenced to identify key priorities against the five foundations of productivity – People, Place, Infrastructure, Ideas and Business Environment, which are being further developed and tested over the autumn to ensure that the LIS is reflective of all parts of the region, maximizing the potential of key strategic assets and reflecting the diversity of place.
- 2.3 In addition, Government has set out four Grand Challenges – Clean Growth, Artificial Intelligence and Data, Future of Mobility and Ageing Society. Work is also being undertaken to identify local strengths, assets and opportunities, in order to demonstrate how and where Leeds City Region can contribute to one or more of these global challenges.
- 2.4 The LIS is being co-produced with Government. Its ultimate endorsement by Government will mean it is a local expression of Government policy, making it a particularly powerful and influential strategy which will have an impact on future decisions about the region, for instance with regards to funding.

Process

- 2.5 Government guidance is clear on the need for LISs to be underpinned by robust evidence which draws out relative strengths and weaknesses, with an emphasis on productivity. The draft economic analysis is now complete, which will be further developed to support the policy priorities and narrative over the autumn.
- 2.6 As previously reported, work was commissioned where a gap in the existing knowledge base and a more intensive examination of the issues was required to determine areas of distinctiveness across the LEP area. These commissions are now nearing completion and will be published as part of a suite of evidence on the LEP website.
- 2.7 Over 700 people have attended and taken part in over 40 consultation and engagement activities to date. These meetings and events presented the headlines from the draft economic analysis and provided forums to discuss the implications for the LIS and possible areas of focus. Consultees have included: LEP Board Panels; businesses; business representative groups such as the Chambers of Commerce and Federation of Small Businesses; universities; local authorities; District level economic and business partnerships; sector groups; and community and citizen groups.
- 2.8 In addition, two calls for evidence have been completed through the LEP website. A broad range of stakeholders responded to these and provided information to support and further inform the development. The responses to the initial call for evidence provided information regarding inclusive growth, construction skills, innovation and utilization of work-place skills. The second, which was more focused around the foundations of productivity provided useful insight which has supported the development of the draft priorities.
- 2.9 In order to understand the priorities and needs of individuals within the region an online YourVoice consultation exercise has been undertaken, which closed on 30 August 2019.
- 2.10 Engagement with young people has also commenced to understand their ambitions for the region. To date 45 young people have taken part in two focus groups. Further workshops will take place in September.
- 2.11 The initial economic analysis and associated commissions have been brought together with the consultation feedback to inform the draft priorities, which will be consulted on during the second phase over September and October. In addition the learning from MIT REAP has informed the draft priorities relating to the Ideas and Business Environment foundations of productivity, which will be presented verbally at the meeting.

- 2.12 Panel members are asked to provide feedback regarding the ambition of the priorities, whether they will improve productivity in the region and any areas they feel are missing.
- 2.13 To provide external rigour to the LIS development process an independent panel was established to provide expert challenge and advice, and critical review of the evidence base and subsequent policy priorities. The panel met for the second time on 9 July and provided feedback regarding the findings of the external commissions. A final meeting is planned for October to consider the priorities for the LIS and associated outcomes, along with the implications for policy development.
- 2.14 The process to develop the LIS will be iterative and will therefore evolve. Engagement and co-production with Government will be undertaken throughout the development process to ensure that the LIS is completed and submitted to Government in December 2019. Engagement with government has been ongoing throughout the development process. This includes:
- Monthly attendance at Project Board meetings
 - Workshop with Cities and Local Growth Unit (CLGU) and Business, Energy and Industrial Strategy (BEIS) analysts in March
 - Meetings with key departments on the foundations of productivity
 - Workshop with CLGU, BEIS and Yorkshire LEPs in June
 - Innovation workshop with BEIS, CLGU, Innovate UK, Institute for Manufacturing and northern LEPs in June
 - Infrastructure workshop with CLGU, DfT and Yorkshire LEPs in September.
 - Individual sessions with relevant departments will be arranged in September once draft priorities have been agreed.

Key Milestones

- 2.15 Key milestones for the development of the LIS throughout 2019 are:
- Initial call for evidence completed May
 - Initial economic evidence report complete June
 - Initial stakeholder engagement completed August
 - Second call for evidence completed July
 - Initial economic evidence report published August
 - Draft policy proposals completed August
 - Consultation and engagement on draft proposals September/October
 - LIS drafted and tested October/November
 - LIS finalised and submitted to Government December
 - LIS published March 2020

3. Financial Implications

- 3.1 In addition to core staff resource to support research and intelligence and policy development activity, a budget of approximately £200,000 is available from Combined Authority / LEP internal budgets across the financial years 2018-19 and 2019-20 to support development of the evidence base for the

Local Industrial Strategy. In addition, funding identified in the 'Strengthened Local Enterprise Partnerships' has been allocated and approved by Government.

4. Legal Implications

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

5. Staffing Implications

5.1 The LIS development 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.

6. External Consultees

6.1 A programme of external engagement is being undertaken to inform the development of the Local Industrial Strategy (see paragraphs 2.7-2.10).

7. Recommendations

7.1 That the panel notes the progress made.

7.2 Members provide feedback on the draft priorities.

8. Background Documents

8.1 None

9. Appendices

9.1 None