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**Report to:** Leeds City Region Enterprise Partnership Board (LEP Board)

**Date:** 21 November 2019

**Subject:** **Local Industrial Strategy**

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## 1. Purpose of this report

- 1.1 To update the LEP Board on progress to develop a Local Industrial Strategy (LIS).
- 1.2 To request delegation of final sign off and submission of the draft LIS to the LEP chair, in consultation with the Combined Authority Chair and the Managing Director.

## 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 submitted in December 2019, to be signed off by Government in spring 2020.
- 2.2 The Local Industrial Strategy will build on the success of the Strategic Economic Plan and set the direction for the next stage of the economic transformation.
- 2.3 To reflect the changing economy and future challenges, the LIS will sit at the heart of a Strategic Economic Framework (SEF), an agile, long-term strategic framework, incorporating both the new Local Industrial Strategy (LIS) as well as a full range of policies and strategies, reflecting the scale of our ambitions and priorities for the City Region.
- 2.4 Priorities for the LIS have been identified against the five foundations of productivity – People, Place, Infrastructure, Ideas and Business Environment. At the LEP Board away day in September members reviewed the draft LIS priorities. Attendees were supportive of the LIS’ overarching Big Idea (“*Healthy lives that improve wellbeing and productivity...*”), but felt that it needed to connect more effectively to the priorities within the five foundations. Some

attendees also commented that more focus could be given to mental health and general wellbeing and their relationship to productivity and quality of life.

- 2.5 There was strong support for focusing on the Ageing Society and AI and Data Grand Challenges. It was accepted that these are logical choices given the overall ambition for healthy lives, and it was recognised that the region is able to play a leading role on these challenges rather than simply contributing to them. Many members however, wished to see the LIS respond to all four Challenges, arguing that they are interrelated and that the region is well-placed to connect all four given the diversity of the local economy. The LIS will therefore give greater emphasis to the Ageing Society and Data and AI challenges, but will still reference the region's contribution to meeting the other two challenges.
- 2.6 Following the away day, the priorities and proposals have now been further developed and tested over the autumn.
- 2.7 Throughout the LIS development process conversations have been ongoing with colleagues from health, particularly the West Yorkshire and Harrogate Health Partnership to ensure the health narrative and priorities within the LIS are aligned to the local health 5 year strategy and that both strategies embed inclusive growth principles. On 21 October a Health and Growth workshop took place, where the alignment opportunities were discussed. There was agreement that joint work could be done on: Healthy Workplaces – including skills, employment retention support, mental health at work and flexible working; Climate – including carbon reduction, local supply chains; and Ageing Society – including housing, tech solutions and the future care workforce.

### Process

- 2.8 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 was completed in the summer and is now being further developed and finalised to support the policy priorities and narrative.
- 2.9 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. The completed commissions have been published alongside blogs from members of the LIS expert panel on the LEP website. A link is provided below to the innovation blog and commission.  
<https://www.the-lep.com/about-us/local-industrial-strategy/driving-innovation-in-leeds-city-region/>
- 2.10 To ensure we reflect as broad a range of views and opinions as possible, and to help us develop and refine priorities, we have engaged with stakeholders and partners across the region, as well as raising awareness of the Local Industrial Strategy via social media, the press and inviting feedback online

- 2.11 Over 1000 people have attended and taken part in over 70 consultation and engagement activities to date. These meetings provided forums to discuss the implications for the LIS and the priorities that are important to include. 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
- 2.12 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.
- 2.13 In order to understand the priorities and needs of individuals within the region two online YourVoice consultation exercises have been undertaken. The second of which closed on 18 November 2019. Alongside which online engagement campaigns were undertaken, supported by videos and social media activity, directing users to complete the online surveys. At time of writing, the videos had been viewed over 1,200 times and messages seen by over 4,000 people.
- 2.14 Engagement with young people has also commenced to understand their ambitions for the region. To date 80 young people have taken part in four focus groups, providing valuable insight into the priorities of the next generation and affirming the key themes resulting from broader consultation.
- 2.15 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 final time in October to discuss the outcomes of the clean growth audit and consider the priorities for the LIS.

### Key Milestones

- 2.16 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
  - ✓ Headline economic evidence report published August
  - ✓ Draft policy proposals completed August
  - ✓ Consultation and engagement on draft proposals October/November
    - LIS drafted and tested October/November
    - Final economic evidence report published December
    - LIS finalised and submitted to Government December
    - LIS published Spring 2020 (subject to agreement with Government)

### **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 (subject to business planning and budget setting) 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.

### **7. Recommendations**

- 7.1 That the LEP Board notes the progress made.

- 7.2 That the LEP Board delegates submission and sign off of the draft LIS to the LEP Chair, in consultation with the Combined Authority Chair and the Managing Director.

### **8. Background Documents**

- 8.1 None

### **9. Appendices**

- 9.1 None