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**Report to:** Business, Innovation and Growth Panel

**Date:** 27 February 2020

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

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## 1. Purpose of this report

1.1 To update the panel on the development of a Local Industrial Strategy (LIS).

## 2. Information

- 2.1 As previously reported, a LIS is being developed for the LEP area that will focus on bold steps aimed at boosting productivity and driving inclusive and clean growth for a post-2030 economy. As discussed at the previous LEP Board, the general election and uncertainty around Brexit mean that the timescales for the development of the LIS were extended. The proposed submission date is now summer 2020.
- 2.2 The LIS will build on the success of the Strategic Economic Plan and set the direction for the next stage of the economic transformation. To reflect the changing economy and future challenges, it will sit within the Strategic Economic Framework (SEF), an agile, long-term strategic framework, incorporating a full range of policies and strategies across economic development and transport, reflecting the scale of our ambitions and priorities for the City Region and the urgent need to tackle the climate emergency.
- 2.3 Priorities for the LIS have been identified against the five foundations of productivity – People, Place, Infrastructure, Ideas and Business Environment. In addition, at the LEP Board away day in September there was strong support for focusing on the Ageing Society and AI and Data Grand Challenges but with reference to the region’s contribution to meeting the other two challenges. These priorities are now being developed into a full narrative.
- 2.4 Throughout the development process, health has been identified as key to the productivity challenge and an area of distinctiveness for the region. The health sector is a major employer in the city region, with significant clusters of technology-focused firms driving innovative approaches to health and medicine that could significantly enhance both lives and productivity. Relatively poor health outcomes are a significant impediment to regional productivity, and our ambitions for the environment, place-making and culture are key to the improving this situation. Embracing both the opportunities and challenges of

this is central to our ambition to ensure this Strategy drives economic growth that delivers opportunity and enhancements to quality of life for everyone. It is therefore proposed that the LIS will contain a central big idea - *“Healthy lives that improve wellbeing and productivity”*.

2.5 In parallel, the West Yorkshire and Harrogate (WYH) Health Partnership have been developing the WYH 5 Year Strategy for Health and Care, and in particular developing an approach to Improving Population Health.

2.6 At their meeting held on 16 January 2020 the LEP Board endorsed further exploration of four broad areas of shared interest, where we could use collaborative delivery of these two key regional strategies to maximise impact. These are:

- Life-Led - To be a region that understands and invests in lifetime health, both for our current population and for future generations. This means that we are serious about people’s lives being at the centre of our ambitions for regional growth and wellbeing.
- Climate - To become a leader in responding to climate emergency.
- Good Work - There is strong evidence that shows good work drives good health, and good health enables good work. We should use our key strategies to focus our regional efforts on being.
- Ageing Well - Focus on the strengths our older population brings to the region and co-produce with them the ideas and solutions to ageing well in our region.

#### Process and Key Milestones

2.7 LISs need to be underpinned by robust evidence that draws out relative strengths and weaknesses, with an emphasis on productivity. The draft economic analysis was completed in the summer and is now being finalised to support the policy priorities and narrative.

2.8 Wide ranging consultation has been undertaken as part of the development, with over 1000 people taking part in over 70 consultation and engagement activities. This has had a significant influence on identified priorities. For example, consultation has driven:

- A focus on identifying positive productivity-focused business behaviours, rather than solely focusing on specific sectors.
- The identification of priority Grand Challenges, through expert input from universities.
- Increased emphasis on higher level skills, including a specific priority on developing leadership skills to support innovation and ‘good growth’.
- Specific reference to economic disruptors that will require distinct re/upskilling needs, e.g. clean growth-related technological changes.

2.9 Key milestones for the development of the LIS 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 November/December
- Further refine of draft to reflect emerging Government priorities and ongoing discussions during Spring 2020
- Final economic evidence report published Spring 2020
- LIS finalised and submitted to Government summer 2020
- LIS published 2020 (subject to agreement with Government)

### **3. Clean Growth Implications**

- 3.1 Clean growth is a cross cutting theme within the LIS and as such is being embedded into the priorities and narrative.

### **4. Financial Implications**

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

### **5. Legal Implications**

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

### **6. Staffing Implications**

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

### **7. External Consultees**

- 7.1 A programme of external engagement has been undertaken to inform the development of the Local Industrial Strategy.

### **8. Recommendations**

- 8.1 That the panel notes the progress made.

### **9. Background Documents**

- 9.1 None

### **10. Appendices**

- 10.1 None