

9th September 2019

Update: Strategic Economic Plan and Local Industrial Strategy

Purpose of Report

This report and presentation provides LEP Board Members with an update on the emerging narrative and priorities for the Sheffield City Region (SCR) Strategic Economic Plan and Local Industrial Strategy. The report will inform a discussion of the priorities, ambition and overall narrative.

Thematic Priority

This paper links to all thematic priorities and the eventual outputs will shape the thematic priorities in the future.

Freedom of Information

This paper is not made available under the LEP publication scheme but may be disclosed under FOI.

Recommendations

That LEP Board Members:

- Discuss and agree the vision, narrative, outcomes and headline policy direction of the economic strategy.

1. Introduction

- 1.1** As set out in the 8th July LEP Board meeting, the City Region is developing a new Economic Strategy (Strategic Economic Plan (SEP) and Local Industrial Strategy (LIS).
- 1.2** The evidence base is complete (presented at the 8th July meeting) and highlights a set of key messages that shape the emerging vision and priorities for the SEP and LIS. This paper provides a summary of the vision, priorities and ambition for discussion.

2. Proposal and justification

- 2.1** The evidence base highlights the need for transformational change in the SCR economy to unlock prosperity for all. Growth experienced in SCR is unbalanced, unequal and despite growing, has underperformed compared to other areas and the national average since the 1970s.

The evidence particularly confirms that, despite good economic growth, the benefits have been largely focused upon certain sections of society; that the socio-economic reality for most people has not improved (worsened in some cases) and that our economy is performing below its potential.

2.2 The evidential context points to the need for a significant gear shift in culture, attitudes and practices to change the narrative and reality of our economy. This includes the need for strong strategic plans to counter threats and maximise opportunities from climate change, continued industrial digitisation, fully exploiting any market opportunities that arise or protect from any negative consequences from Brexit.

The ability to deliver transformational change will be largely dependent on securing significantly more resources from central government, unity of local political and business voice and a commitment to do "things differently".

2.3 Economic challenges can be addressed, and opportunities can be fully exploited by refocusing, deliberately investing to secure agreed outcomes and by ensuring that economic growth benefits "people". People start businesses, make decisions, research, up-skill, innovate, care and create opportunities. Our horizon scanning shows that an increasing number of progressive economic strategies are focused on "People", reflecting a recognition of the most important driver of transformation is people; their needs, ideas and actions.

2.4 In identifying "people" as our focus, the proposed emerging vision is:

"In the Sheffield City Region, every person will have an opportunity to take part in one of the most prosperous, dynamic and resilient global economies."

The vision suggests three interrelated objectives. These are:

- Unlocking opportunity;
- Transformed places & communities; and,
- Creating and sharing prosperity.

2.5 The structure of the working draft of the SEP is as below:

- Evidence – Summary of evidence conclusions and state of economy;
- Vision – Rationale for the focus upon people and the key objectives;
- Priorities – The objectives will frame the priorities, identifying the broad activities to be delivered and the outcomes and economic benefit;
- Levers of Change – A discussion of the levers of change; and,
- Progressing delivery – How will progress be measured, who deliver priorities and evaluation.

2.6 As a complementary document to the SEP and co-written by Government, the structure of the LIS is yet to be agreed but will likely be similar to the other published Local Industrial Strategies. The SCR LIS will be framed around the objectives and propositions being developed through the Global Innovation Cluster work which is underway. This is being developed as part of the "creating and sharing prosperity" objective of the SEP (see section 2.4 above).

2.7 In terms of process, the evidence base is complete, and engagement has continued over the summer around the emerging priorities. The next steps are:

- End of September – First draft of SEP & LIS documents
- October – Consultation on Draft documents
- Presentation to LEP Board (4th November)
- Presentation to MCA Board (18th November)
- November 2019 (end) – final draft of SEP & LIS
- December 2019 (mid-end) – SEP & LIS published

2.9 A presentation (Annex A) will be provided to the LEP Board setting out the emerging narrative, vision, objectives and strategic focus in greater detail. As this work is on-going, the slides presented on the 9th September may differ a little from Annex A to reflect progress made between now and then

3. Consideration of alternative approaches

- 3.1** Economic development policy can be framed in several ways and depends on the rationale, drivers, levers and leadership. However, the evidence has suggested we need a bold and transformative strategy to drive change and investment.
- 3.2** Alternative approaches, including outsourcing the development of the SEP and LIS priorities have been discounted, following discussions at previous LEP Boards meetings.

4. Implications

4.1 Financial

The SEP and the LIS will help to secure additional funding from Government (e.g. a potential allocation of the Shared Prosperity Fund) and provide a basis for determining the City Region's funding priorities and influencing the proposed 2020 Comprehensive Spending Review.

The costs associated with the completion of the SEP and LIS, including specific commissioned pieces of research have been accounted for within the existing approved budget.

4.2 Legal

Production of a LIS has been a requirement of the Government.

4.3 Risk Management

A senior officer has been appointed to project manage the LIS and SEP programme, this is to ensure that activities are kept planning, milestones are met and external risks to delivery are mitigated. A residual risk is that if the work is not completed, SCR will have a weaker strategic direction and reduced ability to secure additional funding. The LIS timescales could also be affected by decision making delays from UK Government and change of politicians in cabinet.

4.4 Equality, Diversity and Social Inclusion

Equality, diversity and social inclusion are at the heart of the evidence base and will continue to be important topic areas in the development of the LIS and the SEP.

5. Communications

- 5.1** Engagement continues. To date universities, businesses, charities, local authority officers and senior executives have been engaged on the evidence base and emerging priorities.

Government is co-developing the LIS and further discussions with BEIS and HMCLG will confirm exact priorities and outcomes they are willing to agree.

- 5.2** A range of stakeholders will be engaged further as the economic strategy moves to its next phase.

6. Appendices/Annexes

- 6.1** Annex A - SEP & LIS evidence slide pack.

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

The full evidence paper is available on request and will also be available on the website:
<https://sheffieldcityregion.org.uk/explore/our-strategic-economic-plan/>