

4th November 2019

Update: Strategic Economic Plan (and Local Industrial Strategy)

Purpose of Report

This report and annex provide LEP Board members with an update following the discussion at the last LEP Board which provided a steer on the vision and objectives for the emerging Strategic Economic Plan. Members will be provided with an update on the vision, strategic ambitions, underpinning principles and emerging broad policy areas. The annex provides an early view of the draft and informs a discussion on the broad priorities for the economic plan.

Thematic Priority

Cross Cutting - Policy

Freedom of Information

This paper will be available under the SCR Publication Scheme.

Recommendations

The Board is asked to:

- Note the revised vision and strategic ambitions agreed by the LEP (9th September 2019)
- Discuss the emerging broad policies, and provide their input for the development of these in the draft SEP.
- Delegate the sign-off of the draft SEP for consultation to the Mayor, LEP Chair and SCR Chief Executive. This will ensure the consultation can commence in advance of the January 2020 meeting.

1. Introduction

1.1 The Strategic Economic Plan (SEP) will be a single overarching strategy which will set out the wider socio-economic aspirations and inclusive priorities for SCR over the medium to long term (10 years for the plan and 20 years for the vision). Progress on the Local Industrial Strategy (LIS) is awaiting Government clarity before progressing.

1.2 The indicative milestones presented to the LEP in May, included the following milestones for the LEP Board

- discussion on the evidence and emerging areas (8th July)
- the vision and objectives in (9th September)
- Outcomes and broad policy areas (4th November)

This paper presents the revised and strategic ambitions as well as the proposed broad priority areas.

2. Proposal and justification

- 2.1 Over recent months work has been undertaken to develop the strategy document. The work to date will be presented to get further feedback and stimulate discussion on the future policy direction and priority areas for SCR and where the LEP/MCA can add most value and impact.
- 2.2 Board Members are invited to note the revised vision, and strategic objectives, the broad priority areas, and provide their input for the development of these in the draft SEP.
- 2.3 An early draft economic strategy is attached to this paper to facilitate discussion. Members will receive a presentation at the Board which will be based on a more advanced draft, following LEP SEP workshop on 28th October and engagement that takes place during that week.
- 2.4 The emerging vision is focused on our “People” (all who live, work or visit SCR) and as such has been agreed as:

A growing, inclusive, & sustainable economy playing an ever-increasing role in future UK prosperity.

- 2.5 Innovation and creativity underpin the strategy and will drive how SCR designs policy and what is delivered. Innovation is a process that delivers added value and change. The ability to develop, commercialise and adopt new ideas is a priority for all high-performing organizations and places. Intense global competition and technological development have made innovation a source of competitive advantage. It is a primary reason economic growth may occur in one area and not another.

The new SEP is our opportunity to lead the UK’s fourth industrial revolution. This brings opportunities in healthcare, materials and composites, energy, mobility and digital and creative technology. SCR has significant strengths in these areas, and we should look to exploit this.

- 2.6 The strategic objectives in the SEP are framed around “Inclusion”, “Growth” and “Sustainability”:
- **Inclusion** reflects the realisation that economic growth is not beneficial unless all people have a fair opportunity to contribute and benefit from it.
 - **Growth** reflects the need to drive up prosperity by lifting productivity to improve the wellbeing of our people and businesses.
 - **Sustainability** (or rather environmental sustainability) reflects the urgent need to address concerning climatic and environmental challenges and create sustainable and attractive places for our people and businesses to thrive.

The work to date has been built on a systemic approach and as such, the broad priority areas link across to the vision and thus the strategic ambitions seamlessly.

The broad priority areas are:

1. Business growth
 2. Skills and employability
 3. Sustainable transport
 4. Sustainable infrastructure
 5. Culture and place
- 2.7 A set of principles and broad intervention areas are proposed as ways in which the LEP and partners can make act to drive economic prosperity. The priority areas reflect a need for focused intervention but also to take account of the broadening agenda for LEPs.

3. Consideration of alternative approaches

- 3.1 The development of the SEP has been based on the input of the LEP board and other partners we have engaged with to date. the Board may however decide to develop the SEP in a different way, by for example considering even broader priority areas or fewer.

4. Implications

4.1 Financial

The SEP will:

- Help to secure additional funding from Government e.g. a potential allocation of the Shared Prosperity Fund. The City Region's first SEP unlocked more than £370m of investment through three Growth Deals.
- Provide a basis for; determining the City Region's funding priorities to influence future Comprehensive Spending Reviews.

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

There are no legal implications to this paper.

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 managed in accordance with the milestone plan, 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 is currently affected by decision making delays from UK Government.

4.4 Equality, Diversity and Social Inclusion

Inclusive growth is central to the agenda and the strategy considers all aspects of society to understand where opportunities are not available or where particular barriers are preventing residents from accessing opportunities. Further consideration of inclusion will occur through review from Sheffield Hallam's Centre for Regional Economic and Social Research.

5. Communications

- 5.1 A detailed engagement plan has been developed. To date universities, businesses, charities, local authority officers and senior executives have been engaged on evidence gathering and messaging.

BEIS and HMCLG are being regularly engaged.

All propositions developed are subject to agreement by the LEP / MCA to adopt the new policy. The SCR Corporate Communications plan will reflect agreed LEP, Mayoral and MCA priorities.

- 5.2 All stakeholders will be engaged further as the economic strategy moves to its next phase.

6. Appendices/Annexes

- 6.1 Appendix 1 – SEP Draft

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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: Strategic Economic Plan Evidence Base – 2019 (Summary Evidence Pack) and other relevant documents available on the website:

<https://sheffieldcityregion.org.uk/explore/resources/>