

20th May 2019

Economic Policy - Update

Purpose of Report

The purpose of this report is to update the LEP on the refresh of the Strategic Economic Plan and the development of the SCR's Local Industrial Strategy.

Thematic Priority

Cross-cutting to deliver all themes.

Freedom of Information

This paper is not exempt from the Freedom of Information Act 2000.

Recommendations

That LEP Board Members note the update provided on developing the Strategic Economic Plan and Local Industrial Strategy for SCR, and the timetable for completion.

1. Introduction

- 1.1 The Strategic Economic Plan (SEP) and Local Industrial Strategy (LIS) will outline a route map to a more prosperous and productive City Region. The refreshed SEP will become the overarching strategy which will set out aspirations and priorities for the SCR over the medium to long-term. The LIS is a new strategic document and will be a more focused plan; outlining the investment priorities for driving long-term growth in productivity, scaling up the assets in the City Region, and increasing investment in research and innovation.
- 1.2 This paper provides Board Members with an update on the process to develop the refreshed SEP and the new LIS, and the timescales for their completion.

2. Proposal and justification

- 2.1 The development of the SEP and LIS is being undertaken in four phases:

Phase 1: Updating the Evidence Base – gathering and analysing data and economic evidence to identify challenges and opportunities in the SCR economy (Timeframe: Complete end of May 2019)

Phase 2: Development of the Draft SEP and Draft LIS - engagement with stakeholder partners to identify emerging strategic priorities from the evidence base and preparation of a draft SEP for consultation (Timeframe: February to July 2019)

Phase 3: Consultation and Publication of the SEP – open consultation on the draft SEP, refinement based on responses and revised draft SEP presented to the LEP Board for approval (Timeframe: Complete in September 2019)

Phase 4: Engagement and Submission of the LIS – engagement with stakeholder partners and Government on refinement of the LIS and revised LIS submitted to Government for approval (Timeframe: Complete in November 2019)

Key milestones are set out in Annex 1.

2.2 The Evidence Base

The evidence gathering stage of the SEP is close to being finalised. It draws on the analysis undertaken by Metro Dynamics in 2017, supplemented by analysis of more recent data sets and in-depth research on the inclusion challenges within the labour market and economy undertaken by Sheffield Hallam University's Centre for Regional Economic Social Research (CRESR).

The evidence base will be presented to the LEP Board on 15th July 2019.

2.3 The SEP

The next stage of SEP development is in two parts.

Firstly, work is currently underway with experts in both universities to review the evidence, challenge assumptions and converge on the overriding narrative and systemic challenges which the economic vision and plan will seek to address. This should provide the rationale for target setting and policy making. The emerging priorities for the SEP will be presented to the LEP Board on 15th July 2019 with a discussion on ambition and targets. This will result in a revised draft SEP for consultation.

Secondly, work will progress on refining the draft SEP with partners and stakeholders and confirming the key high-level targets and policy propositions through an open consultation. These will lead to the completion of the eventual strategy and fully developed economic plan which will underpin and guide the design of policy interventions and drive investment in the City Region in the period ahead.

The revised draft SEP will be presented to the LEP Board for approval in September 2019.

2.4 The LIS

The LIS must be co-developed and agreed with Government and published before April 2020.

Whilst the evidence base and data analysis conducted for the SEP will inform the strategic priorities in the LIS, the LIS will also need to reflect the Government's priorities in order to be approved. The LIS will be jointly-owned by the SCR Mayor, LEP, the Combined Authority and Government and will form the basis of a 'deal' with Government for additional funding allocations to the SCR.

It is expected that the LIS will be submitted to Government for approval following discussion on the draft submission at the LEP Board in November 2019.

2.5 Partner engagement

The initial engagement phase has seen close working with local authority officers and has included analysis of local plans and evidence documents. In addition, there has also been engagement with a wide range of other organisations including universities, colleges,

charities, business representative bodies such as the CBI, the Office for National Statistics, and civil servants from across government.

We will engage private sector LEP Board Members and the wider private sector in the development of the SEP and LIS throughout the year (see Annex 2 – Engagement Plan).

3. Consideration of alternative approaches

- 3.1** Produce a LIS but do not refresh the SEP. To comply with Government requirements this was the do minimum option. However, this option was discounted for a number of reasons:

Refreshing the SEP as well as producing a LIS enables the LEP to set out a wide range of socio-economic priorities and intervention areas, which would not all be covered in the more tightly defined LIS.

The structure and formula for the LIS is defined by Government and therefore will not enable a uniquely local flavour.

The LIS is a co-produced document with Government and is expected to be central to negotiations regarding the Shared Prosperity Fund and other such future investment pots. It will be underpinned by the SEP evidence base and also a technical bid document which will detail our agreed priorities and policy propositions.

4. Implications

4.1 Financial

Other LEP areas with a compliant LEP geography have received some resource to develop their LIS (c£200k), this has not been made available to the SCR.

Work has progressed however to develop an evidence-based and logical narrative. It is vital SCR crafts and develops a compelling vision and makes a persuasive case to Government and other investment partners.

4.2 Legal

No legal implications at this stage. Government has made it a requirement for local areas to have a LIS.

4.3 Risk Management

The LIS timescales could be affected by decision-making delays from UK Government.

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 in the development of both documents.

5. Communications

- 5.1** Engagement is key to the successful development of economic policies. Numerous organisations have been engaged about the SEP and LIS. Further engagement is planned with a range of stakeholders (see Annex 2 – Engagement Plan).

6. Annexes

- 6.1** Annex 1 – Key Milestones

- 6.2** Annex 2 - Engagement Plan

REPORT AUTHOR	Paul Johnson
POST	Senior Economic Policy Manager
Officer responsible	Dave Smith
Organisation	Sheffield City Region

Annex 2 - Engagement Plan

Stakeholder	Engagement Approach	Engagement Tools	Frequency
SCR Senior Leadership Team	Consultation	Internal Workshop Face-to-Face One-to-Ones Email	Monthly
SCR Commissioning Teams	Consultation	Internal Workshop Face-to-Face One-to-Ones Email	Monthly
SCR LEP Board	Consultation	Face-to-Face One-to-ones Briefing papers/presentations	Bi-Monthly
LEP Sector Groups	Consultation	Face-to-Face Briefing papers Email and Telephone	3 months
SCR CEXs	For Information	Face-to-Face One-to-Ones Briefing papers Telephone	Frequently
SCR Policy & Advisory Group	For Information	Face-to-Face meetings Briefing papers/presentations	Quarterly
SCR Thematic Boards	For Information	Face-to-Face One-to-ones Briefing papers/presentations	TBC
Local Authority Heads of Economic Development	Consultation	Workshop Face-to-Face meetings Briefing papers/presentations	Frequently
Westminster & Civil Servants	Consultation	Workshop Face-to-Face meetings One-to-ones Briefing papers/presentations	As required
Ministers	Consultation	Face-to-Face meetings (where possible) Briefing papers/presentations Email and Telephone	As required
South Yorkshire MPs	For Information	Face-to-Face meetings One-to-Ones Briefing papers/presentations Email and Telephone	As required
NP11, Neighbouring LEPs	Consultation	Face-to-Face One-to-Ones Email and Telephone	As required
MIPIIM Sponsors	Consultation	Face-to-Face Briefing papers/presentations Email and Telephone	As required

FE Colleges	Consultation	Face-to-Face Briefing papers/presentations Email and Telephone	As required
SCR Universities	Consultation	Workshop Face-to-Face Briefing papers/presentations Email and Telephone	Frequently
Business Representative Organisations	Consultation	Face-to-Face Email and Telephone	Frequently
Science and Innovation Board	Consultation	Face-to-Face Briefing papers/presentations Email and Telephone	As required
AWRC and AMRC	Consultation	Face-to-Face One-to-Ones Email and Telephone	Frequently
Key Businesses	Consultation	Face-to-Face One-to-Ones Email and Telephone	Frequently
Third Sector	Consultation	Face-to-Face One-to-ones Email and Telephone	Frequently