

**Date 8<sup>th</sup> July 2019**

**Update: Strategic Economic Plan and Local Industrial Strategy**

### **Purpose of Report**

This report and presentation provides LEP Board Members with an understanding of the evidence base and the emerging narrative for the Sheffield City Region (SCR) Strategic Economic Plan and Local Industrial Strategy. The report will inform a discussion of the emerging evidence base, which itself inform the next stage of development of priorities for the economic plan.

### **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 consider the emerging evidence base underpinning the SEP and LIS
- Discuss and develop key messages to shape the development of the economic strategy during the next phase of its development.

## **1. Introduction**

**1.1** As previously agreed by the LEP Board, the City Region is developing a new Economic Strategy for the region.

- 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).
- Falling out of the SEP will be a Local Industrial Strategy (LIS). This will align with the National Industrial Strategy and drive long-term productivity growth. This will be agreed with Government.

**1.2** As set out in the report to the LEP (20<sup>th</sup> May 2019) the work on the evidence base is reaching completion. This highlights a set of key messages which will shape the emerging priorities for the SEP and LIS. This paper provides a summary of the evidence base for discussion.

## **2. Proposal and justification**

**2.1** Government guidance sets out the importance of having a high quality, robust evidence base in place, upon which LISs can be developed. Over recent months work has been

undertaken to produce such a document for the SCR, to inform the refresh of its own strategies. This has included:

- Detailed analysis of secondary data and new innovative data sets;
- Bringing together and collating existing research;
- Engaging with local authorities, universities, the private sector and third sector for their insights; and
- Reviewing the industry and academic literature.

**2.2** Given the role of the LEP the analysis has focused on socio-economic data on the economy, productivity, labour market, business base and infrastructure. This aligns with the themes set out in the national industrial strategy and adopts a broader focus around inclusive growth that builds on the City Region's strengths.

**2.3** To build our understanding of these issues a small amount of additional work has been commissioned from Sheffield Hallam University's Centre for Regional Economic Social Research (CRESR), which is researching SCR's inclusion challenges. Additionally, a piece of work has commenced on the transformational potential of the Global Innovation Corridor.

**2.4** The development of the 2014 SEP and the work undertaken on the LIS documents that have been published illustrate the strengths of a comprehensive and rigorous evidence base when negotiating with government. Applying lessons learnt, the LEP chair is engaging the region's universities to validate, challenge and strengthen the evidence, emerging key messages and narrative. Following feedback from the evidence base will be further developed in areas where the analysis is lighter (e.g. culture).

**2.5** Given the evidence pack's length, the document will be shared with Board members outside of the formal paper pack. A presentation (Annex A) will be provided to the LEP Board setting out the emerging narrative, key messages and the proposed next steps. An additional, technical evidence document is available for LEP Board members on request.

### **3. Consideration of alternative approaches**

**3.1** Alternative approaches, including outsourcing the development of the SEP and LIS 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. (Note: 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 own; influencing the 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 is a requirement of the current 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 to plan, 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.

- 4.4 Equality, Diversity and Social Inclusion** ([Equality Act - Public Sector Equality Duty](#))  
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** 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.

Given Government is co-developing the LIS with SCR parts of the evidence base have been tested with BEIS and HMCLG.

- 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: