

LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Metro Mayor and Members of the Combined Authority

Meeting: 1st November 2019

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

REPORT OF THE ASSISTANT DIRECTOR, POLICY AND STRATEGIC COMMISSIONING

LOCAL INDUSTRIAL STRATEGY UPDATE

1. PURPOSE OF REPORT

- 1.1 To update members on the development of the Local Industrial Strategy and its strategic framework.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Liverpool City Region Combined Authority:-
- a) support the ongoing progress made in the development of the Local Industrial Strategy;
 - b) note the emerging strategic framework for the strategy that is set out in the Appendix; and
 - c) submit the final Local Industrial Strategy to Government at the end of March 2020.

3. BACKGROUND

- 3.1 Previous reports have highlighted that the LCR Combined Authority is developing a Local Industrial Strategy. It is a key strategic priority that will set out the City Region's economic strengths, our challenges, and how we can best address them. It will demonstrate the positive contribution Liverpool City Region is making to the national economy and outline what we will do to raise productivity. The document will be central to informing local priorities, guide our future local investment decisions, and support national decision making.
- 3.2 The Combined Authority has facilitated a wide ranging evidence review to shape the priorities of the Local Industrial Strategy, drawing on intelligence in the City Region from businesses, academia, and the social economy. This evidence collation and analysis is now drawing to a close as we focus on testing the evidence

base with stakeholders and translating it into policy ideas and interventions for the final strategy.

- 3.3 As part of the evidence development and testing process, we have set up monthly officer level meetings with representatives from each Local Authority and engaged the LEP and its Sector Boards. The Combined Authority has also engaged widely with the public through the [LCR Listens](#) initiative, conducted interviews with a range of businesses and held a series of policy workshops. LCR Listens has resulted in consultation with over 2,000 members of the public thus far, and we have held a number of focus groups to gather their views on what matters to them and the types of policy priorities they would like to see in the strategy. We have also held engagement events with the social economy, trade unions, chambers of commerce, and the Fairness and Social Justice Advisory Board.
- 3.4 To ensure we are co-developing priorities and interventions, we have held five policy workshops aligned with the five foundations of productivity: skills, employment, health and wellbeing (People); clean growth and sustainable communities (Infrastructure, Place); business environment and growth (Business Environment); and the City Region's innovation assets (Ideas).
- 3.5 Cumulatively, the evidence and depth of engagement has supported the development of a set of strategic priorities for the Local Industrial Strategy, and the formulation of policy interventions.

4. STRATEGIC FRAMEWORK

- 4.1 The structure of the Local Industrial Strategy is based on a strategic framework, which is made up of five emerging inter-dependent priorities, and objectives which sit underneath each (the draft strategic framework is appended to this paper). Informed by the evidence, these align with the Government's five foundations of productivity:
 1. **People with the opportunity to transform passion into prosperity:** supporting people across the City Region in maximising their potential, whilst meeting the future skills needs of employers.
 2. **Revitalised and distinctive places:** joined up place-based approaches to foster resilient neighbourhoods, quality living environments and strong sense of community across the City Region.
 3. **Connecting all our communities to opportunity:** ensuring that the strategic infrastructure is in place to ensure a well-connected City Region that supports businesses and communities everywhere.
 4. **A dynamic business base that creates opportunity:** providing the enabling conditions for business growth and uplift in productivity across the whole economy, which provides quality jobs and progression within the labour market.
 5. **Collaboration that transforms research into reality:** supporting the coordination of the City Region's innovation assets to deliver the scale of innovation and digitisation required across the economy and society.

Note that the strategic framework is draft, and will evolve as a result of our engagement.

- 4.2 Cutting across the strategic framework and the wider strategy are a number of 'Grand Challenges' which align with those set by Government in the national Industrial Strategy. We have identified an LCR specific Grand Challenge – 'becoming the most inclusive economy in the UK'. This reflects the progressive ambition of the City Region to ensure that all people and communities both contribute to, and benefit from, growth and productivity uplifts. It provides a distinctive attribute to the Local Industrial Strategy, working to ensure that all policy developments support improved outcomes for people and places.
- 4.3 The other 'Grand Challenges' include a carbon neutral and sustainable city region (relating to the Clean Growth Grand Challenge) and Liverpool City Region being at the forefront of 'Tech for Good' (connecting to the Artificial Intelligence and Data Grand Challenge). Tech for Good considers how digital innovations in the City Region will support all areas of society and economy, including improved health outcomes. The focus on these two Grand Challenges will ensure consistency and focus in the strategy.
- 4.4 The UK's other two Grand Challenges are Ageing Population and Future of Mobility. The Local Industrial Strategy will provide coverage on these areas given their importance to the economy and society; however the primary focus on the former two Grand Challenges builds on our distinctive strengths and will support the strategy in building a distinguishing brand and USP for Liverpool City Region.

5. NEXT STEPS

- 5.1 Working with our Local Authority partners, the LEP and stakeholders, the policy development process will continue, forming the foundations of the Local Industrial Strategy which we will draft over November and December.
- 5.2 In early January, we will share the draft strategy with the LIS Analytical Panel of the Department for Business, Energy and Industrial Strategy, and the LIS Implementation Board for sign-off.
- 5.3 After consultation with Government, the final strategy will be presented to the Combined Authority at its 26th March 2020 meeting before being published.

6. RESOURCE IMPLICATIONS

- 6.1 There are no direct implications or costs associated with the development of the Local Industrial Strategy, as it is being developed using existing staff resources.
- 6.2 As noted above, the strategy will act as a framework for allocating future City Region resources, and in communicating and negotiating funding opportunities with Government and wider stakeholders.

7. RISKS AND MITIGATION

- 7.1 There are no direct implications. The development of the Local Industrial Strategy will help set the strategic direction for economic growth policy across the City Region and support the prioritisation of associated strategy and policy interventions and deliverables.

8. EQUALITY AND DIVERSITY IMPLICATIONS

- 8.1 At this stage there are no direct implications. The Local Industrial Strategy will go through Equality and Diversity assessments, and it will be centred on the ambition of achieving an inclusive economy for Liverpool City Region.

9. COMMUNICATION ISSUES

- 9.1 There are no specific communication issues. The Local Industrial Strategy will be developed in an accessible format and in a way which is public facing, together with a short summary version.

10. CONCLUSION

- 10.1 This report seeks to update members on the development of the Local Industrial Strategy. In particular, it highlights the aim of ensuring depth and inclusivity in the engagement and how this is translating into a focused strategic framework, from which flows clear policy direction and interventions that will form the basis of the strategy.

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Appendices:
Draft Strategic Framework