

Open Report on behalf of Executive Director for Environment and Economy

Report to:	Economic Scrutiny Committee
Date:	21 July 2015
Subject:	Enterprise Commissioning Strategy

Summary:

Lincolnshire County Council's Business Plan will be produced during Autumn 2015.

In order to provide a strong contribution on the economic development aspects of the business plan it is proposed that the Economic Scrutiny Committee considers each of the three commissioning strategies that contribute directly to economic growth. These commissioning strategies are:

- Environment
- Enterprise
- Infrastructure

This report concerns the Enterprise Commissioning Strategy.

Actions Required:

Members are invited to review the Enterprise Commissioning Strategy, and in particular to address the following questions:

- (i) Is the Enterprise Commissioning Strategy aligned appropriately to the Strategic Economic Plan?
- (ii) How far does the Enterprise Commissioning Strategy reflect the discussions that have taken place at Economic Scrutiny Committee over the past two years?
- (iii) Is the balance between the commissioning and influencing of actions appropriate to available resources?
- (iv) Added together, how far do the objectives of the Strategy match your levels of ambition?
- (v) How would you like to scrutinise the delivery of this Strategy?

1. Background

The Strategic Economic Plan as an overall strategy

The overall strategy for economic growth in Lincolnshire is the Strategic Economic Plan which is promoted by the Greater Lincolnshire Local Enterprise Partnership (GLLEP). Officers from the County Council were asked to prepare the Strategic Economic Plan for the LEP, and the Economic Scrutiny Committee discussed and shaped the Strategic Economic Plan at their meetings in September 2013 and March 2014.

The Strategic Economic Plan has the objective of creating 13,000 new jobs, helping 22,000 businesses to grow, and building 100,000 new homes over a 20 year period. There are five objectives within the Strategic Economic Plan:

- Driving the competitiveness of key economic sectors (agri-food, manufacturing, and visitor)
- Developing our emerging sectors (low carbon, ports and logistics, and health/care)
- Skills, innovation, technology and promotion
- A place to invest (housing and communities)
- A location for investors (environment/heritage, transport, water management, utilities)

More detail on the Strategic Economic Plan is provided in Appendix A. Members received a copy of the draft Strategic Economic Plan at their meeting on 11th March 2014, and it can be found at www.greaterlincolnshirelep.co.uk.

During those discussions about the Strategic Economic Plan, the Executive Councillor for Economic Development stated that the County Council did not intend to produce its own economic development strategy but instead to align strongly to the Strategic Economic Plan. This means that the main focus of the County Council's development activity will support the achievement of the Strategic Economic Plan. There will occasionally be times when the Council leads or supports a project which does not directly support the Strategic Economic Plan but which meets other priorities of the council, but that will be rare.

The Strategic Economic Plan will be refreshed over summer 2015. This is because some of the specific actions in the Strategy are now being delivered, and because other actions have been refined over the 18 months since the Strategy was published. The aims of the Strategy will not change, but some of the detailed actions will be refined. The Greater Lincolnshire LEP currently engages regularly and directly with around 100 stakeholders, but the refresh of the Strategy does provide an opportunity to engage further with district councils and business representatives.

Enterprise Commissioning Strategy

Appendix B explains the connection between the three commissioning strategies that have a direct impact on the achievement of the Strategic Economic Plan.

Appendix B shows that parts of the environment and infrastructure commissioning strategies meet the Strategic Economic Plan – particularly planning services and economic infrastructure.

Appendix B also shows that the Enterprise Commissioning Strategy is broken down into four main areas. Our main philosophy is that we will facilitate private sector schemes where possible rather than leading them ourselves.

The four main areas will incorporate the following priority actions:

- **Enhancing the performance of business**

(Commissioning schemes that offer support to businesses; doing this through influencing government provision or commissioning our own schemes.)

The schemes that we commission will relate to giving information to businesses, promoting supply chain opportunities, and helping businesses to attract finance.

We will concentrate on specific sectors – agrifood and manufacturing in particular. Tourism is included within here, and will be subject of a review in autumn 2015.

As well as directly commissioning schemes, we recognise that government also delivers business support activity such as Manufacturing Advice Service, Export Promotion, and Growth Accelerator. We will seek to influence government provision so that it meets our needs.

- **Encouraging businesses to invest in Lincolnshire**

(Offering a supportive service to investors; promoting the benefits of investing in Lincolnshire and advising them how to implement their own growth plans)

We will maintain strong relationships with those developers and intermediaries who are likely to invest in Lincolnshire. This will be through face to face contact and through the organisation of events; we will increasingly seek private sector contributions towards the cost of these events.

In order to support the Strategic Economic Plan we will focus our effort onto developers who will invest in housing, business sites, and tourism products including hotels.

- **Training people so there is a skilled workforce**

(Commissioning a range of training schemes; this will include adult skills, family learning, and vocational training programmes plus focusing on involving employers in all elements of provision)

We will continue to commission training schemes where government funding is not available – for example to improve education/industry links or to run short

courses that do not require qualifications. We will also continue to commission adult learning programmes, increasingly linking provision to economic needs rather than to the interests of trainees.

The majority of training is funded and procured by government. We will seek to influence government so that the training meets the needs of our growing sectors, and so that some current gaps in provision can be tackled (eg grants to train people aged 19+). Our particular emphasis will be on developing the skills and tackling the vacancies that will arise from our analysis that 200,000 jobs will need filling by 2020.

- **Operating the LEP secretariat and bidding for grants**

(Operating the secretariat for the Greater Lincolnshire LEP; supporting the implementation of the LEP's strategic economic plan, and bidding for/managing external grants in support of that plan)

The strength of relationship between the Greater Lincolnshire LEP and the County Council has been recognised by government. It reassures them that there is a strong dialogue between the public and private sector and it also reassures them that the LEP and County Council will work together to ensure that effective projects will be delivered. In turn this helps to attract substantial funding to Lincolnshire.

We will continue to operate the LEP secretariat, providing managerial support but enabling the secretariat to retain an appropriate level of operational independence. We will provide high quality funding advice, manage EU funding programmes, and contribute to the LEP's work particularly in those subjects which are directly relevant to LCC – eg transport policy.

The council business plan shows that the outcomes for 2015/2016 are:

NO OF JOBS CREATED AND/OR SAFEGUARDED	Target 2015/16 = 758
NO OF BUSINESSES SUPPORTED	Target 2015/16 = 350
NO OF QUALS ACHIEVED	Target 2015/16 = 902
EXTERNAL FUNDING ATTRACTED TO LINCS	Target 2015/16 = £54.8m

The team will prepare indicators for 2016/2017 in consultation both with the Economic Scrutiny Committee and with those organisations who will be commissioned to deliver the Strategy.

Economic Scrutiny Committee's comments on the Enterprise Commissioning Strategy

Most of the reports that have been discussed by the Economic Scrutiny Committee over the past two years have had the purpose of informing the Council's strategic approach to economic development and the actions that support it. The priority actions that are set out above have been distilled from those discussions.

However, in scrutinising and advising on the Commissioning Strategy, the Economic Scrutiny Committee may want to explore the following themes:

- Is the Enterprise Commissioning Strategy aligned appropriately to the Strategic Economic Plan?

The Council stated that as far as possible it would align its delivery with the Strategic Economic Plan. The actions that are proposed are based on sectors, skills, and business advice which are core elements of the Strategic Economic Plan.

- How far does the Enterprise Commissioning Strategy reflect the discussions that have taken place at Economic Scrutiny Committee over the past two years?

The Economic Scrutiny Committee has received a number of papers from staff and from partner organisations. For example, presentations from Mark Tinsley (PC Tinsley and Son) on the importance of innovation within agri-food, Haydn Beeken (Turbine Efficiency Ltd) on the importance of being aware of the local supply chain, and from officers such as Clare Hughes who identified that employers' skills needs are shifting to a higher level. The actions that are prioritised in the Strategy directly meet those comments.

- Is the balance between the commissioning and influencing of actions appropriate to available resources?

Government and other partners clearly deliver schemes that will meet the aims of the Enterprise Commissioning Strategy. However, those schemes may not necessarily meet our objectives without some form of influencing. The Council's strategic leadership role means that it is entirely appropriate for us to seek to influence, and likely reductions to public sector budgets mean that influencing is likely to be more affordable than delivery in the future.

However, the County Council will require some "levers" with which to influence other organisations. These will include a detailed understanding of local economic conditions, the ability to translate economic development policy to operational activity, knowledgeable staff and elected members, strong connections to the local business community, and the possibility of shaping our own programmes to add value to government provision and vice versa. The Commissioning Strategy currently includes provision for each of these but further budget reductions will erode the Council's ability to influence substantially.

- Added together, how far do the objectives of the Strategy match your levels of ambition?

The Strategy is concerned with supporting the Strategic Economic Plan's objective of 13,000 new jobs, 22,000 businesses grow, and 100,000 new homes. The overall objective was set based on high growth as a result of LEP and others' investment, and therefore relates to a high level of ambition.

- How would you like to scrutinise the delivery of this Strategy?

The Council is developing a strong commissioning and delivery split. The Executive Director for Environment and Economy explained to the Economic Scrutiny Committee that elected members would generally deal with the commissioning team. However, members may also wish to invite delivery teams (both internal and external) to explain their plans and progress against the Strategy.

2. Conclusion

The Enterprise Commissioning Strategy is aligned to the Strategic Economic Plan. This means that a detailed strategy is not required, but it is useful to describe the priorities that the Council will commission in support of the Strategic Economic Plan.

The priorities that have been set out in this report have a clear rationale, based on discussions with the Economic Scrutiny Committee.

Before publishing the Enterprise Commissioning Strategy as part of the Council's Business Plan, it is useful for the Committee to explore how well those priorities reflect the Committee's work to date.

3. Consultation

a) Policy Proofing Actions Required

n/a

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	GLLEP Strategic Economic Plan – Parts A and B
Appendix B	Strategic Economic Plan Diagram

5. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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