

Open Report on behalf of Keith Ireland, Chief Executive

Report to:	Environment and Economy Scrutiny Committee
Date:	30 October 2018
Subject:	Local Industrial Strategy (LIS)

Summary:

This paper updates Members about the development of our Local Industrial Strategy (LIS), and provides an opportunity to comment upon and influence the emerging areas of focus.

Actions Required:

The Environment and Economy Scrutiny Committee is invited to:

- 1) Consider the progress made towards the development of a Local Industrial Strategy, including the publication of significant Government reports.
- 2) Review the emerging areas of focus, consider how well they address local challenges and opportunities, and whether there are ways in which they should be refined.

1. Background

Previous reports have been presented to the Environment and Economy Scrutiny Committee detailing the background to the Local Industrial Strategy, and the research which has been undertaken to date to inform its development. In July the Committee resolved that it would be beneficial for the Committee to focus on the emerging areas of focus for the LIS, and that this progress report should be brought back to the Committee in October 2018.

Discussion

Since the last report in July:

- Government has published the conclusions of its LEP Review, providing for reformed and stronger LEPs with a single mission: to promote productivity by delivering LISs
- Government has also published the "Local Industrial Strategies Policy Prospectus" confirming that the remit of a LIS is to address low productivity and regional disparities to create growth and improve living standards across the country. LISs are to contribute to rebalancing the economy, and are expected to guide the use of future funding streams including the UK Shared Prosperity Fund

- The LEP has commissioned a prospectus which will be published imminently. This will provide a framework to guide the development of a LIS for Greater Lincolnshire. If the prospectus is published before the date of the Committee meeting, an update will be provided.
- A task and finish group of the Greater Lincolnshire LEP Board Directors has undertaken a review of its geography over the summer. It considered 5 proposals of functional economic geography, and the removal of the two local authority overlaps with the Humber LEP, namely North and North East Lincolnshire, then considered a further test of workability (scale and ambition, deliverability, and views of stakeholders). Two proposals for LEPs were agreed by the full LEP board on 20th September, namely Greater Lincolnshire and Humber and Lincolnshire. All members of the LEP board agreed that Greater Lincolnshire is a functioning economic geography. **The preferred model is for Greater Lincolnshire LEP including all 11 Lincolnshire and Rutland Local Authorities**

Government have asked LEPs to produce industrial strategies which are directly relevant to their location, and which are focused on a small number of priorities rather than being a wide strategy for growth. Previous reports have explained the research and intelligence which the LEP has used to identify the **emerging areas of focus** for the LIS. These have been tested with local businesses at events across the county which have been hosted by MPs and local councils, and have been refined as follows:

Cross cutting skills mission

Equip people in Greater Lincolnshire to transition into the world of industry 4.0 and take advantage of the opportunities it offers: Building on the opportunity of our involvement in the Skills Advisory Panel and Career Learning Pilots we would like to develop an approach that builds the partnership between providers, businesses and the LEP to improve our capacity to plan for and deliver against future skills needs and test the impact of greater local control.

Sector specialisms

- Test bed area for rural energy solutions:** Linking to the Clean Growth Grand Challenge, there has already been significant work to develop locally led solutions to fill gaps in energy supply and build sustainable sources for the future. The supply of energy is a significant issue in Greater Lincolnshire which is reported as impeding the ability of businesses to expand. One potential solution is a SMART GRID Energy supply system using SMART technology to connect farmers with renewable generation and waste conversion sites to local demand.
- Food processing productivity:** Productivity increases in the food processing sector, automation and robotics potentially through the development of the digital demonstrator for food manufacturing that would help businesses to adopt and adapt to the new technology.
- Health and care innovation:** This priority links with the Ageing Society Grand Challenge and aims to improve productivity in the healthcare sector, deliver better health outcomes, and generate new business opportunities. For

example, we have been supporting locally led plans to develop a National Centre for Rural Health and Care which will support the development of a cluster of businesses with expertise in the development of technological and service innovation around rural health and care.

- d) **Ports & logistics, digitalisation and connectivity:** Linking together our significant port assets and strengths in logistics and considering how technology develops can help us to better connect across Greater Lincolnshire and beyond.
- e) **An inclusive and innovative Visitor Economy:** Working with the visitor economy to support service innovation and explore how we can grow the industry in a way that also improves quality of jobs and lives.

These areas will be developed further in the forthcoming prospectus. They are not intended to be the only focus for future activities and investments. Rather, the prospectus will identify a few areas where strategic interventions might make the most difference. The LEP will be undertaking further work before Christmas to refine a set of asks of Government, and potential interventions.

2. Conclusion

This is an opportunity for further engagement with the development of the Local Industrial Strategy, ensuring that the Strategy effectively responds to local priorities.

It would be useful for the Scrutiny Committee to consider:

- Do the emerging areas of focus represent Lincolnshire effectively?
- Are there ways in which they should be refined to better address local challenges and opportunities, or to be more directly relevant to their location?
- What can LCC do to help Whitehall departments to prioritise Lincolnshire's LIS?

3. Consultation

a) Have Risks and Impact Analysis been carried out?

No

b) Risks and Impact Analysis

N/A

4. 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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