



Lancashire
Enterprise Partnership

Business Plan

2017 - 2020

Lancashire: The Place for Growth

**NORTHERN
POWERHOUSE** HM Government

www.lancashirelep.co.uk

Introduction

This document begins to set out the priorities for the LEP's programme of work over the next three years. It highlights key areas of activity where the LEP will either lead or support the programmes of other partners across Lancashire.

This work programme captures the activities we will undertake from key strategic thinking to the development of a refreshed Strategic Economic Plan for Lancashire, continued support for key sectors and existing businesses and the emerging work programme which will tell Lancashire's story in a more ambitious and confident way.

Whilst in the medium term, we can plan with some certainty around existing major programmes, this Business Plan must also remain flexible to embrace and champion new funding, economic growth and market-driven opportunities.

The programme of activity set out within this Business Plan will make an important contribution to the success of the Northern Powerhouse and continue the process of rebalancing the local economy. It will also demonstrate how the LEP can support broad based growth that enables the widest range of people and places to both contribute to, and benefit from, local economic success and more good jobs in Lancashire




Edwin Booth DL
Chair,
Lancashire Enterprise Partnership

Getting to the Future First

The Lancashire Enterprise Partnership's priorities over the next three years.

Building on the LEP's strong track record for delivery, we are moving forward with a clear set of priorities for the next three years. Working with local partners in the public and private sectors, the LEP will continue to ensure the development of a strategic project pipeline to take advantage of new local and national growth funds, policy initiatives and case-making opportunities.

The LEP remains aware of the need to continue to raise its profile and strengthen communications with local stakeholders. It will build on recent communication initiatives to raise the profile of Lancashire as an inward investment destination of choice, including the launch of an investment website for Lancashire.

The LEP also views the Northern Powerhouse as a positive framework, and will continue to work to position Lancashire's economic strengths

forging strong links with LEPs across the north, responding positively to Government's renewed focus on a place-based Industrial Strategy.

Through a focus on the drivers of productivity, innovation and internationalisation the LEP will identify the interventions required to ensure local economic success and the generation of more good jobs in Lancashire.



Lancashire
Enterprise Partnership

The LEP's priorities for 2017 - 2020

1. A Plan for Lancashire's Economy

a A new Strategic Economic Plan for Lancashire:

Since the LEP's first Strategic Economic Plan (SEP) was developed in 2014, the context in which it was produced has changed significantly. Driven by changes in the economy itself, a new national policy framework, and the challenges and opportunities of Brexit, the time is right to review and update the LEP's central policy document. Work has already begun on assembling the evidence base which will underpin the refreshed document.

b A new focus on productivity, innovation and internationalisation:

Recent work on developing projects, including the Science and Innovation Audit (SIA), has highlighted the need for the LEP to be able to clearly demonstrate how its investments in infrastructure, housing, skills and

business growth projects have directly driven productivity levels within the local business base.

Work is already underway to investigate the specific productivity issues within Lancashire's economy, with the LEP having commissioned the University of Central Lancashire (UCLan) to support the development of this analysis.

The LEP is building on the evidence of the SIA to look more broadly at the innovation eco-system across Lancashire's key sectors and to develop more robust leadership and governance arrangements around the innovation agenda. Whilst the case for new assets and facilities will continue to be tested, there will also be a focus on the co-ordination and impact of those facilities in which the LEP has already invested.

Internationalisation, meaning both the level of export activity across the Lancashire economy and the attractiveness of the location for inward investment, will feature more strongly in the next SEP. The Lancashire Chambers have already initiated a piece of work to specifically explore the opportunity to support more businesses to engage in export activity.

Northern Powerhouse Independent Economic Review (NPIER) findings

The North's performance gap is persistent and entrenched, averaging about 25% against the rest of England, and almost 15% when London is removed.

Having been on a downward trend since the early 2000s, the gap has widened since the 2008/09 recession.

Productivity accounts for the largest proportion of the performance gap, and is also associated more closely with the widening of the gap in the post-recession period.



The LEP's priorities for 2017 - 2020

2. Developing Great Places to Live and Work

a City Deal:

With the strong progress made to date in delivering the Preston, South Ribble and Lancashire City Deal and the increasing collaboration partners have demonstrated in delivering the agreed infrastructure within the City Deal period, partners are exploring the potential to extend the City Deal period from 10 years to 15 to enable further housing and economic growth in central Lancashire.

The City Deal partners believe that full utilisation of HCA “Direct Delivery” and “Starter Homes” initiatives have the potential to accelerate the pace of housing delivery in the City Deal area.

The partners are also mindful of the need to continue to review and monitor housing and development market conditions post Brexit, as the full economic impact of the UK's decision to leave the EU becomes known.

Programme leaders are focussed on central Lancashire, the place, and in addition to delivering strategic housing, employment, commercial and leisure sites, the City Deal Executive is also currently working with a range of strategic partners including the Lancashire Skills Hub, Boost; Lancashire's Business Growth Hub, education providers, health agencies, the Environment Agency and Network Rail on a range of strategic plans and projects including:

- The development of a refreshed City Deal investment prospectus;
- The transformation of Preston Railway Station;
- Implementation of the City Deal Skills and Employment Action Plan;

- Development and implementation of the City Deal Community Infrastructure Plan;
- Exploring opportunities to strengthen the role that UCLan can play in the local area; and
- A strengthened City Deal inward investment offer which forms a key part of the Lancashire investment proposition.

The City Deal Executive is awaiting the outcome of Government changes to funding streams which could impact upon the City Deal and looks forward to a meaningful negotiation with Government in due course.

b Wider place-making:

Wider place-making initiatives in areas including Lancaster, Burnley and Blackpool feature strongly in our current Growth Deal projects and in our strategic development pipeline. The LEP is committed to working with local partners to establish place-based growth strategies and improving the performance of our key towns and city centres.



3. Supporting Business Growth

a Boost; Lancashire's Business Growth Hub:

Over the next three years the main focus of Lancashire's Business Growth Hub will be to consolidate and deliver its new programme of activity and re-branded website with an enhanced offer to rapidly growing scale-up businesses.

Over the Business Plan period Boost is targeted to provide detailed advice and brokerage to 750 eligible businesses and to work intensively with a further 720 businesses as well as supporting businesses to create almost 400 jobs.

In addition to its core programmes, the Business Growth Hub will also continue to explore options for its further development and long term sustainability.

b Manage emerging ERDF Projects:

The duty of the Business Growth Hub to produce and manage a simplified offer of publicly funded business support will constitute a significant element of the workload for 2017 - 2020. A further 7 ERDF funded programmes will be launched, with the potential for a further 12 programmes to be launched in 2018.

These programmes need to be properly co-ordinated so as not to displace commercial provision and also to work with the existing offer provided by local authorities and other partners. With the support of the LEP's Business Support Management Board, the Business Growth Hub will market and direct appropriate referrals to these new services and work with providers to ensure that programmes are complementary and fully respond to the strategic priorities of the LEP.

c Position Lancashire projects for post Brexit Funding Opportunities:

Business support staff will work with colleagues from Lancashire County Council's European Funding Team to manage the transition from European Structural and Investment Fund (ESIF) to any new regime of regional or national funding which might succeed the current arrangements.

d Innovation:

Building on the Science and Innovation Audit, the LEP will ensure that existing and new innovation assets are focused on priority sectors, working with businesses to help them fully understand the imperative to innovate and helping them access the wide range of support available to them.

The LEP will focus on the drivers of productivity, innovation and internationalisation to identify the interventions required to ensure local economic success and the generation of more good jobs in Lancashire.

e Work with Creative Lancashire to promote the Queen's Award:

Accessing the wealth of experience within Lancashire's business leaders, the LEP will seek to work with Creative Lancashire to promote, coach and mentor businesses through the process of seeking Queen's Award accreditation. This is viewed as an excellent promotional tool for both Lancashire and its business community.



The LEP's priorities for 2017 - 2020

4. Investing in Growth

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| <p>a Continued oversight of the delivery of Growth Deal Projects:
The LEP's Growth Deal Management Board will continue to oversee and monitor the delivery of over 40 projects which have received funding through Lancashire's £320M Growth Deal programme.</p> | <p>b Management of the Growing Places Investment Fund:
The LEP will continue to use its Growing Places Investment Fund to unlock development opportunities and bring forward key development, infrastructure and housing projects.</p> <p>The LEP will also begin to consider how differing streams of available commercial funding can be co-ordinated to ensure maximum impact across Lancashire. This "fund of funds" approach will form the basis of a new investment strategy, which will also consider additional opportunities to attract capital investment from the private sector, investment and wealth funds to support the delivery of existing and emerging priorities.</p> | <p>c Northern Powerhouse Investment Fund:
Lancashire has committed £12.5M of ESIF resources to the emerging £440M Northern Powerhouse Investment Fund and will look to recoup at least double this amount of investment in the five years of the operation of the programme.</p> <p>The fund will provide micro, loan and equity finance for businesses. However the LEP will ensure that the offer is well understood and that complementary services such as Access to Finance provision supports those businesses who require finance to support their growth.</p> | <p>d Evergreen:
A review of how the Evergreen (Jessica) fund operated in the last European Programme and the benefits it could have for Lancashire moving forward is underway. Should this work conclude that there is a need for this development finance programme, the LEP would look to ensure that the minimum £10M allocated through its ESIF resources is properly used and drawn down to unlock development across Lancashire.</p> |
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5. Championing Key Sectors

a The continued development and promotion of the Lancashire Advanced Manufacturing and Energy Cluster:

Lancashire's four enterprise zones (across three sites) are strongly aligned with the Lancashire's key sectors, with each site focussing on Advanced Manufacturing, Energy, Advanced Materials and Chemicals sectors.

The sites are closely aligned with the priority sectors identified within the Northern Powerhouse Independent Economic Review and provide the opportunity to strengthen Lancashire's clusters of industrial excellence nationally and internationally.

The LEP will escalate the wider promotion of these sites, ensuring they create assets which will act both as a catalyst for development and as a wider resource to support the development of sector supply chains across Lancashire.

b Working with key businesses and sector representative bodies:

The LEP will continue to work with industry partners to define opportunities and challenges to growth, by developing innovative investment programmes and in response to new national growth fund opportunities.

Working with local partners the LEP will continue to ensure that businesses have improved connectivity, access to skilled labour, support to innovate and to exploit international markets.

c Emerging key sectors:

Over the course of the next three years, Lancashire will see a number of new sectors and technologies emerging where the combination of our existing business base and innovation assets could genuinely fuse to create new world-class clusters of activity. New, highly regulated approaches to energy production in the nuclear, renewables and gas sectors could all drive innovation, employment and growth.

The LEP and partners have already begun to position sites, investment, and educational support for these new developments, seeking to capture a greater share of new industrial opportunities and the potential to generate economic value and high quality jobs.

d Visitor Economy:

Last year, a new Visitor Economy Strategy was commissioned by the LEP. It will maximise future growth opportunities for the sector with the overall aim of increasing visitor numbers, through a focus on staying visitors to help drive more visitor spend within local economies.

The strategy is accompanied by a Destination Management Plan which sets out a framework of actions over the next three years that will help deliver an additional 6.3 million visitors and £650M in visitor spend, as well as generating an additional 5,000 FTE jobs within the sector.

Marketing Lancashire will lead activity with tourism partners to implement this plan.

The LEP's priorities for 2017 - 2020

6. Developing Lancashire's Skills Base

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| <p>a Implementation of the Lancashire Skills and Employment Strategic Framework:
The LEP's Skills and Employment Board will further develop and implement the strategic framework developed over the last year.</p> <p>This will help to ensure Lancashire is at the forefront of new national approaches to technical education and training, and supporting local partners to improve educational attainment levels in Lancashire's most deprived communities.</p> | <p>b Strategic oversight of European Social Fund activity and further allocation of funding:
Key investments and programmes of activity to support individuals in work, those who are unemployed and young people not in education, employment or training have already been committed using European Social Fund (ESF) monies.</p> <p>These projects offer the opportunity to build capacity in the Lancashire Skills Hub and to provide activity which has the potential to support over 20,000 Lancashire residents. The LEP will ensure that partners contracted to deliver these programmes work effectively for Lancashire utilising the resource available. In addition, as with ERDF, the LEP will maintain oversight of future locally matched ESF projects and advance local priorities for investment as and when the ESIF regime is replaced.</p> | <p>c Successful completion of the Area Based Review (ABR) of FE and Sixth Form Colleges and oversight of implementation plan:
On behalf of the LEP, the Lancashire Skills Hub will implement any conclusions, changes or different models of working which arise from the ABR.</p> <p>The Skills Hub will also work with FE colleges and business on new skills initiatives and policies proposed by the Government, under the guidance of the Lancashire Skills and Employment Board.</p> | <p>d Implementation of the Apprenticeship Growth Plan for Lancashire:
Progress towards the Apprenticeship Levy for larger employers as well as emerging difficulties in recruiting young people for apprenticeship opportunities, both emphasise the importance of developing a co-ordinated approach to improving the number of apprenticeships in Lancashire over the next three years.</p> |
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7. Telling Lancashire's Story in a more ambitious and confident way

a Taking the Lancashire narrative to the market:

Led by Marketing Lancashire, the exercise conducted over the past year has brought together a large range of local partners to develop an agreed Lancashire narrative.

This narrative will now form the basis of profile raising activity of Lancashire as a destination of choice and place to invest, with a focus on the marketing of the Lancashire Advanced Manufacturing and Energy Cluster.

This will be underpinned by a set of strong and consistent messages about Lancashire which the LEP will take to national and international markets over the next three years.

Key objectives will include:

- Giving national policy-makers a better understanding of the economic potential and assets of Lancashire.
- Taking the market opportunities available within Lancashire's key sectors and strategic development locations to key national and international market places.
- Consistently highlighting the work of the LEP to national and local partners, to build an increased understanding of its role, achievements and track record.

b Inward Investment:

The LEP will develop a consistent programme of inward investment activity over the next three years, working with local partners to market key site and sector opportunities and also the strengths of its industrial clusters and supply chains.

c Internationalisation:

Trade and export underpins the competitiveness of many Lancashire businesses, from traditional textile and furniture production companies to digital animators, working with the international video games producers.

We believe that Lancashire has a strong hand to play as the UK re-orientates its trade arrangements post Brexit. We are also fortunate that in Lancashire's Chambers of Commerce we have some of the best equipped intermediaries to promote and encourage this change. Working with UKTI, we will seek to provide local business with the skills and opportunities to realise the growth potential of exploring relevant markets and exploiting the potential of newly competitive exchange rates for British goods and services.



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The LEP's priorities for 2017/2020

8. Better Connectivity

a Delivery of existing Growth Deal Transport Projects:

Supported by the Growth Deal Management Board, the LEP will continue to ensure that transport and infrastructure projects funded through Growth Deal resources are delivered in such a way that they realise value for money thresholds and deliver economic and social value objectives.

b Improving Lancashire's connectivity:

The LEP will continue to improve Lancashire's connectivity by maximising opportunities offered by HS2 and new Central Pennine links that create the potential to position Lancashire at the heart of the Northern Powerhouse.

c Transport for the North:

The LEP will develop an active leadership role within the Northern Powerhouse by continuing to engage with Transport for the North and collaborating with all Northern Powerhouse LEPs, to develop a common narrative with Government on sector, skills, transport and investment priorities

d Digital Infrastructure and Connectivity:

By the end of 2018, building on the public investment made in the Superfast Lancashire project, commercial providers should have delivered superfast broadband access to 99% of premises in Lancashire.

Working with local authority partners, the LEP will prioritise support for a strong digital sector within Lancashire, ensuring that businesses realise the potential of this level of connectivity to provide residents with the digital skills to fully participate in employment and society.

9. A LEP structure that's fit for purpose

a Working effectively:

The LEP will continue to discharge its responsibilities relating to strategic economic plan development and case-making, and the delivery of key economic initiatives including The Preston, South Ribble and Lancashire City Deal, Lancashire Growth Deal and Enterprise Cluster.

It will also ensure it provides robust and accountable governance structures and frameworks for the funds it oversees, whilst remaining agile and efficient in its stewardship of these funds.

b Working within changing governance structures:

The LEP will continue to work with local authority partners on any new governance structures for Lancashire.

c LEP and Partner Capacity:

The LEP recognises the need to support and further develop its own capacity and that of its partners to ensure the continued development of a robust strategic project pipeline.

Over the coming three years the LEP will seek to:

- Provide strategic support to partners in scheme and business case development;
- Unlock and deliver difficult or stalled schemes;
- Sustain and refresh a strategic project pipeline;

- Bring coherence and co-ordination to the use of those assets where the LEP has already invested; and
- Work with the Department for International Trade to attract capital investment to support the delivery of Lancashire's existing and emerging strategic priorities.





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