



## LEP STRATEGY COMMITTEE – AGENDA ITEM 6

Subject: Strategy Work Programme Update

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Meeting date: Thursday 25<sup>th</sup> January 2018

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### Purpose

To update the Strategy Committee on progress with the Strategy Work Programme associated with the refresh of the SEP and development of its supporting strategies and delivery plans, and to support a discussion on emerging issues and potential areas of focus for the 2018/19 work programme.

### Recommendations

The Strategy Committee is asked to

- a) Note the content of the report
- b) Share its views on the potential areas of focus outlined for 2018/19

### Background

1. Work has been progressing since the launch of the refreshed SEP in July 2017 to develop the suite of supporting strategies and delivery plans that will set out in more detail our planned activity against each of the seven SEP themes over the next 3 – 5 years.
2. The Skills and Education Plan and Quality of Place strategies have previously been considered by the Strategy Committee and the main LEP Board has considered the draft Transport Strategy. An update is provided at this meeting on the Energy Strategy.
3. Development of these strategies and maintaining the SEP itself has to take account of changes in policy and focus at the national level, and updated data on economic performance.

### Discussion

4. The extensive work programme in support of the SEP continues. The first four sub-strategies / delivery plans covering **Transport, Skills and Education, Energy** and **Quality of Place** are either completed or well progressed. Work is now also underway on the **Housing** Strategy and initial thinking undertaken for the **Digital** and **Science and Innovation** Strategy. The current position for each of these workstreams is set out below.

#### *Transport*

5. The draft Transport Strategy was considered by the Local Transport Body on the 25<sup>th</sup> October and the main LEP Board at its meeting on 8<sup>th</sup> November. A revised version is currently being developed following feedback from these Boards with a view to a wider consultation exercise being undertaken from April 2018. It is expected that the final version will be signed off by the LEP Board in Autumn 2018.



### *Skills and Education*

6. Work on developing this Strategy is now complete, with the document available on the LEP website. Activity is now switching towards implementation, overseen by the Employer Skills Board.

### *Energy*

7. A presentation on the emerging Energy Strategy will be given at this meeting by Mickledore.
8. Consideration of how issues related to energy (and power), water and other **infrastructure** issues are considered in a better coordinated way at the LEP level, including the potential for establishing an Infrastructure Board or Commission.

### *Quality of Place*

9. Following the presentation to the previous meeting of the Strategy Committee, useful engagement sessions were held with two separate groups of students and business start ups at the University of Chester.
10. The draft narrative is being progressed with the aim of circulating an initial document for comment by mid-February.

### **Phase 2 Strategies**

#### *Housing*

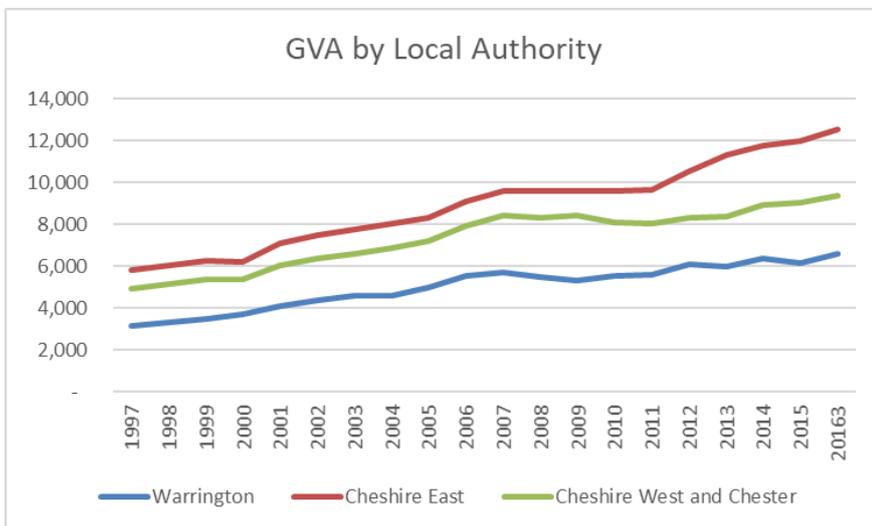
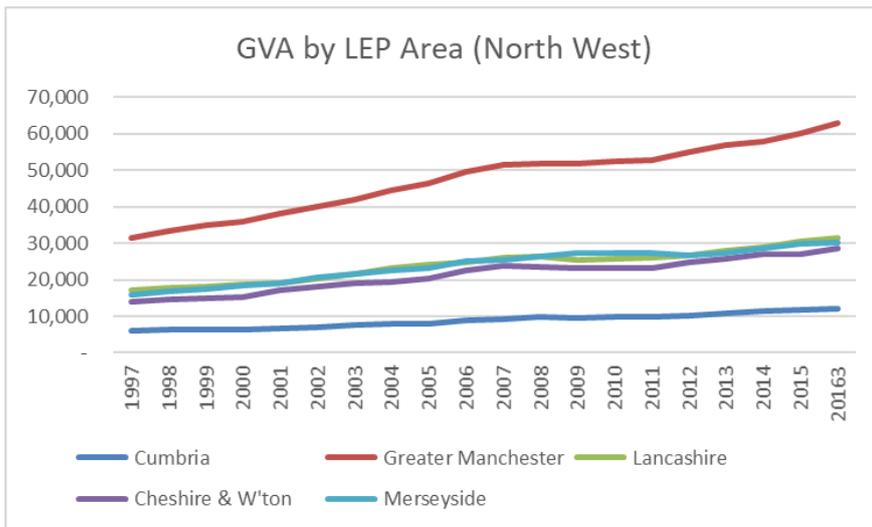
11. GL Hearne has started its commission to support the LEP in developing a Housing Strategy and Delivery Plan. Engagement sessions have been held with the Cheshire and Warrington Housing Alliance (principally the Registered Providers operating in the sub-region) and a group of private sector house builders and developers to hear their perspectives on the issues affecting housing delivery in the area.
12. Work has started to scope out the briefs covering the development of strategies for **Digital and Science and Innovation**. The most recent meeting of the LEP's Innovation Board agreed that a small stakeholder workshop would be a useful tool in developing the scope for the Science and Innovation Strategy and arrangements are being made to hold this session early-to-mid February.
13. Support has been offered by the Skills and Growth Company to develop an outline scope for the Digital Strategy.

#### **SEP review**

14. The Strategy Committee will recall that at the time the refreshed SEP was published the Executive committed to an early review of the SEP to ensure that it remains current and reflective of any significant changes in national policy. Work on this review will start in February with the intention of reporting back to the March meeting.
15. There are a number of things to consider when undertaking the review. Firstly, the latest release of economic data by the Office for National Statistics (ONS) was published shortly before

Christmas. Despite fears that the revised methodology being adopted would adversely impact on Cheshire and Warrington, this appears not have been the case.

16. Provisional data puts our GVA (as at year to December 2016) at £29.338 billion, up 6.1% on the previous year. This compares to UK growth of 3.7% over the period and a North West rate of 3.8%.
17. The two charts below show the growth in GVA by LEP area (for the North West) and by local authority, for the period 1997 to 2016.



18. Whilst previous growth rates are no guarantee of future growth, they do provide potential indicators to the levels of growth that will need to be achieved in order to hit our GVA target of £50 billion by 2040. Our average growth over the 10 years from 2007 – 2016 was 2.4%, and if this were maintained our economy would grow to £50.2 billion by 2040. **However, should the five-year average of 4.2% be maintained the target would be achieved by 2030.** Also, should current growth rates be maintained the Cheshire and Warrington economy would in due course become bigger than both Lancashire and Liverpool City Region's.



19. Other items to be reflected in the review of the SEP include the imminent launch of the Sub-Regional prospectus, submission of the Constellation Partnership Growth Strategy, announcement of the potential North Wales Growth Deal, launch of the cross-border rail prospectus and the launch of the Industrial Strategy. These developments will also, to varying degrees, shape the Strategy work programme for the coming year.

### ***Looking ahead to 2018/19***

#### *Delivery of the sub-regional prospectus*

20. The Economic Prosperity Board (which is comprised of the LEP Chair and three Local Authority Elected Leaders) is expected at its meeting on 9<sup>th</sup> February to approve the publication of the **Sub Regional Prospectus** that has been developed jointly by the LEP and local authorities over the last several months. The Prospectus was initially to be used as a vehicle for discussions with Government on a potential devolution Deal, however as the Government's position on this remains unclear, it will instead provide a roadmap for the work programme which brings together the key components of the economic growth and public service reform agendas.
21. Naturally large parts of the prospectus reflect and are founded on the work that the LEP is progressing on the thematic and spatial priorities outlined in the SEP. To support delivery it is likely that appropriate monitoring and performance reporting will be needed and this links to the long standing ambition to develop an economic 'dashboard' for the sub-region which would provide easily accessible data on our economic performance.

#### *Local Industrial Strategy*

22. Details of the requirements for development of **Local Industrial Strategies** are still awaited however it is likely to be a significant piece of work for the LEP which will need to be in place by March 2019. There may be further work to be commissioned to meet specific evidence requirements (e.g. building on our current work with the automotive sector), and increased thought to how create an environment which supports our other key sectors to remain competitive and increase productivity.

#### *Science and Innovation*

23. Due to the various regional and national activity previously outlined in relation to science and innovation, the strategy currently under development is likely to be less detailed than some of the other supporting strategies, whilst setting out some more detailed work to be undertaken in 2018/19. In particular, a specific piece of work is likely to be required to understand what we need to do to develop our innovation 'ecosystem' – including how we support our businesses to work with agencies and institutions outside Cheshire and Warrington. This would link to the work on the Local Industrial Strategy and also development of the Cheshire Science Corridor proposition.



24. An additional component of the 2018/19 work programme in this area will be our participation in a number of Round 3 Science and Innovation Audits covering Nuclear, Low Carbon Energy and Health Research.

#### *Mersey Dee Economic Axis*

25. A great deal of activity has been undertaken on a cross-border (MDA) basis during the year; the development of the Rail Prospectus, work on an energy summit to be held in spring 2018 and our automotive work have been positive demonstrations of the cross-border links represented by the **Mersey Dee Economic Axis**. However, from a Strategy perspective there is still work to be done to properly articulate how the MDA contributes to our overall economic ambition and what the LEP's role in supporting the MDEA might be. To assist in this, one option could be to review the 2017 GVA data release and build on work already undertaken by Cheshire West and Chester to produce a more up to date picture of the cross-border economy and synergies in the MDA area.

#### *Quality of Place*

26. The emerging Quality of Place Strategy is likely to put forward a number of interventions to be progressed in 2018/19. These will include more specific activity around developing a coherent brand and identity for the sub-region (linked to the work being undertaken at the moment by Regeneris on the Science Corridor), a work programme with partners including the local authorities and Local Nature Partnership to address areas of perceived weakness in our Quality of Place offer.

#### *Energy*

27. Work for 2018/19 is likely to focus on finalising the technical aspects of the Low Carbon Energy Innovation Fund (LGF), potential studies to support more detailed development of the Energy Innovation District and wider sub-regional energy cluster.