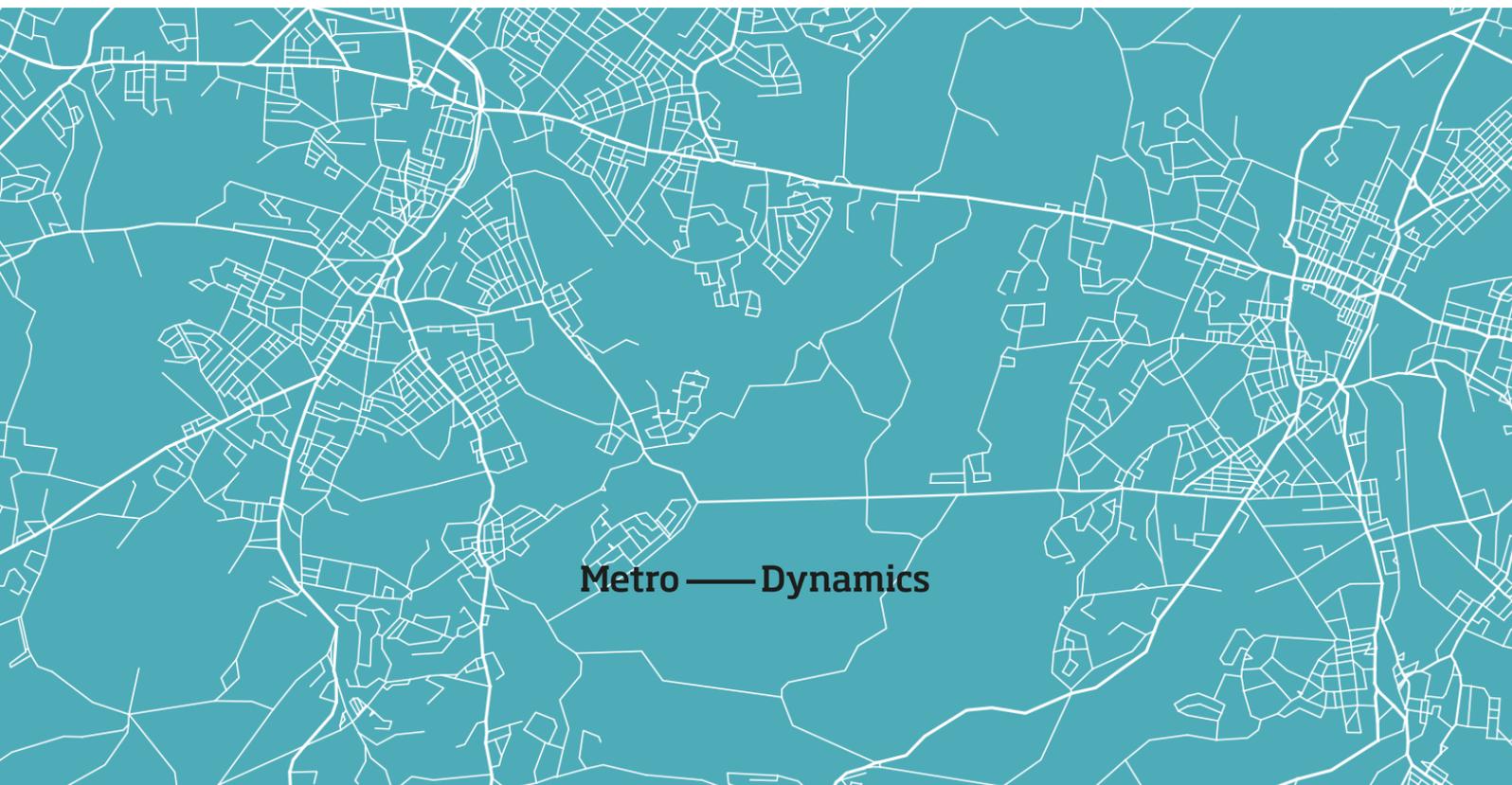




# Local Industrial Strategies: Lessons Learned

*December 2019*



**Metro — Dynamics**

## Contents

<b>1</b>	<b>Introduction.....</b>	<b>3</b>
	Purpose of this report.....	3
	Local Industrial Strategies: Policy Context.....	3
	Method of consultation .....	4
	Structure of the report .....	5
<b>2</b>	<b>Trailblazer experiences.....</b>	<b>6</b>
	Greater Manchester .....	6
	Context and process .....	6
	Positives and challenges .....	7
	Oxford-Cambridge Arc .....	10
	Context and process .....	10
	Positives and challenges .....	11
	West Midlands.....	14
	Context and process .....	14
	Positives and challenges .....	15
<b>3</b>	<b>Lessons learned.....</b>	<b>18</b>
	Purpose of strategies .....	18
	Local consensus and cooperation.....	19
	Engagement and consultation.....	19
	Co-design with Government .....	20
<b>4</b>	<b>Next steps.....</b>	<b>21</b>
	Advice for places developing Local Industrial Strategies.....	21
	Recommendations to Government.....	22

# 1 Introduction

## Purpose of this report

This report has been produced by Metro Dynamics on behalf of the Local Government Association (LGA) to consider lessons learned from the Local Industrial Strategy (LIS) development process to date. The main focus of the report is on the experiences of the three LIS trailblazer areas: Greater Manchester, the Oxford-Cambridge Arc and the West Midlands<sup>1</sup>. The purpose of the report is to share lessons and allow places to draw on the experiences from the trailblazer areas. In doing this, it also provides some lessons for similar future processes – such as upcoming processes on Town Deals and future devolution.

The LGA has been active in helping Local Enterprise Partnerships (LEPs), Combined Authorities (CAs), and local authorities develop LIS. Earlier in 2019, the LGA ran a series of masterclasses on the key elements of designing LISs: around engaging with stakeholders and businesses, inclusive growth, developing a place narrative, and building an evidence base. Some of the principles that emerged from the masterclass work<sup>2</sup>, as well as an LGA report on the role of local authorities in the LIS process<sup>3</sup>, are reflected in the lessons learned that follow, for example around the role of local authorities in building political consensus as well as supporting evidence development, and the importance of long-term engagement with business.

The LGA intends to provide further support on this and related topics during 2019/20. If you would like to be kept informed of these, please contact [localism@local.gov.uk](mailto:localism@local.gov.uk).

## Local Industrial Strategies: Policy Context

Following the publication of the Industrial Strategy for the UK in November 2017, the Government announced that it would work with three trailblazer areas on LISs, that would be published by March 2019. The trailblazer areas were Greater Manchester, the Oxford-Cambridge Arc t), and the West Midlands.

The Department for Business, Energy and Industrial Strategy (BEIS) set out guidance<sup>4</sup> in October 2018 that LISs would:

- be developed locally and agreed with Government

---

<sup>1</sup> In this context, it should be noted that the findings in this report reflect the range of views from consultation with partners involved in the three trailblazer Local Industrial Strategy areas. The points made therefore do not necessarily reflect the views of Government, the LGA, or Metro Dynamics.

<sup>2</sup> Metro Dynamics, LGA, 'Developing Successful Local Industrial Strategies', June 2019.

<sup>3</sup> Shared Intelligence, LGA, 'The Role of Councils in Developing Local Industrial Strategies', July 2019.

<sup>4</sup> BEIS, 'Local Industrial Strategies Policy Prospectus', October 2018.

- be long term
- be based on clear evidence through setting out a robust and open evidence base aligned to the national Industrial Strategy by mapping out specific opportunities and challenges:
  - on distinctive local strengths, which could include supporting the Grand Challenges – AI and data, ageing society, clean growth, and the future of mobility; and any local weaknesses
  - across the five foundations of productivity – ideas, people, infrastructure, business environment, and places
- be developed through collaboration between CAs, LEPs and public and private stakeholders to achieve their ambitions
- prioritise specific, achievable, long-term ambitions
- set out clear plans to evaluate progress.

Local partners in the trailblazer areas and central Government were navigating a new policy and processes in developing LISs in the context of intense activity in the run up to the EU exit date in March 2019. The process reflected in this report therefore centred around iterative joint working between local partners and Government and local partners and their stakeholders. The governance and partnerships of local institutions varied in the three trailblazer areas, and partners’ experiences of developing LISs differed. As a new policy and process, this report seeks to illustrate the lessons learned in the trailblazer areas and advice and recommendations for places and Government in future development of strategies for local economies.

The West Midlands LIS was published in May 2019, followed by the publication of the Greater Manchester LIS in June 2019 followed by the four constituent LISs for the Arc in July 2019. Each of the trailblazer areas is now at implementation stage.

All other LEPs and CAs in England are developing LISs with Government and are currently working to a publication date of March 2020.

## Method of consultation

The findings in this report have resulted from consultation with 28 stakeholders – between six and eleven stakeholders from each trailblazer area, plus a small number of consultees from other organisations and other LEPs to provide context. Consultees include officers and leaders of the CAs and LEPs leading their respective LIS processes, local authority officers, university representatives, and representatives from Government. We are very grateful for the time given up by consultees to respond to this process and contribute their thoughts and experience.

## Structure of the report

The remainder of this report is structured as follows:

- Section 2 describes the **process** in each trailblazer area and the positives and challenges of developing LISs as experienced by participants.
- Section 3 sets out the **lessons learned** from the three trailblazer processes.
- Section 4 discusses the **implications for other areas** developing LISs and sets out some **recommendations for Government**.

## 2 Trailblazer experiences

### Greater Manchester

#### Context and process

The Greater Manchester Combined Authority (GMCA) led the process, supported by the Greater Manchester LEP, the ten borough local authorities and the universities. The development of the LIS was made easier by strong existing partnerships across the CA area.

- The Government announced in November 2017 that Greater Manchester would be one of the three trailblazer areas to develop the first wave of LISs.
- The path for developing the Greater Manchester LIS was made smoother by a pre-existing structure for pan-city region research and strategy. The Manchester Independent Economic Review (MIER), undertaken in 2009, provided a shared evidence base to underpin policy and strategic investment. The announcement of LISs presented an opportunity for Greater Manchester to undertake a decennial update of the MIER, and GMCA commissioned an expert panel to conduct the Greater Manchester Independent Prosperity Review (MIPR). The MIPR provided a comprehensive and robust evidence base structured around productivity, education and skills transitions, innovation ecosystems, and infrastructure needs and formed the basis of the evidence for the LIS.
- Working closely with member local authorities was a key priority for GMCA, in order to develop a deep understanding of the different Greater Manchester boroughs' economic development assets, opportunities and challenges. In the period of developing the LIS, some local authorities continued with and embarked on their own local economic strategies in parallel. For example, Wigan Council published its own economic vision in 2019 under which new strategies such as for the town centre and skills sit along with implementation plans.
- GMCA used a range of methods to engage stakeholders and businesses, including online surveys and LIS consultation events which supported the drafting of the strategy and prioritisation of areas of focus and interventions. Partners worked with Government on the draft strategy up to the beginning of 2019, and the final strategy was published in June 2019.
- Greater Manchester has a published LIS implementation plan, and core to this are sub-strategies and implementation plans that are the responsibility of each borough local authority, demonstrating how each part of Greater Manchester is delivering on the strategy for their place. This is being taken forward along with individual local economic plans.

## Positives and challenges

Through consultation with partners in the development of the LIS in Greater Manchester, we explored the positive elements of and results from the process, and the challenges that partners faced.

### *Positives*

- The **local institutions in Greater Manchester have a long history of working together** in a cohesive geography, and the strategy process benefited from these close relationships and established ways of working together. The coterminous nature of the boundaries of GMCA, the LEP, and ten borough local authorities simplified the process of prioritisation and decision making.
- The **focus on productivity** was an important and valuable part of the LIS process. This part of building the evidence encouraged local authorities to be more disciplined and realistic about their economic strengths and challenges, focusing on those sectors and areas of the economy with the greatest likelihood of driving productivity growth.
- The opportunity for Greater Manchester to build on past work and update its local **independent economic evidence base** to produce the MIPR provided the strategy with a robust and comprehensive evidence base with legitimacy that could stand the test of time. The independence of the expert panel provided the opportunity for external input to help partners look at the wider economy as a whole.
- Building on long experience of working with Government, local partners found that the **co-design process with Government** was iterative and that both local institutions and Government officials benefited from shared insights and feedback to agree the scope of the strategy.
- There is **well-established engagement between local institutions and the business community**:
  - In gathering evidence for the MIPR, there was extensive engagement with stakeholders from business, education, health and wellbeing and the community and voluntary sector, with a number of events held in each borough of the city region.
  - There was consensus that engagement with the business community through events worked well and provided an up-to-date perspective on key issues.
  - Businesses provided insights that stressed the importance of transport and skills to their productivity and growth in the city region. It also highlighted the importance of skills in local business communities to partners, and the need to think about how firms are using their skills, how they are managing their staff, and the impact of health on productivity.
- The process of the refreshed independent evidence review and work with stakeholders **allowed new priorities to be explored**. For example, a greater focus on health and care.

- Individual boroughs of Greater Manchester use **the LIS as a reference point to anchor their own local visions and plans** in the wider context. This also provides a strong narrative when dealing with Government and investors.
- The process of co-design created opportunities to have **meaningful discussions with Government about local sectoral and investment priorities**. For example, the work on commercialising graphene at the University of Manchester Graphene Centre.

### *Challenges*

- **Striking the balance between developing a strategy that benefits every part of the city region and managing expectations** about what is achievable could be challenging. In developing the strategy, therefore, it was important to find themes that resonated across the area.
- This challenge of balance was also felt geographically when looking at how different local economies in the wider area operate. For example, Wigan's economy faces Manchester, Cheshire and Merseyside. Some partners felt that there wasn't scope within the LIS to **fully explore the links with other places' economies and towns in the city region**.
- The **varying levels of capacity at local authority** level – after a long period of budget cuts – has made it challenging for all areas to contribute and be involved equally, as they have differing levels of extant data and analytical capacity.
- Some partners felt that the **focus from Government on distinctive advantages** meant that it was sometimes difficult to balance the nationally and globally impactful sectors with the more foundational economy. The focus of sectors and specialisms in the LIS was felt by some to be too heavily weighted towards health innovation and digital sectors, when activity and employment in the city region is dominated by manufacturing, construction and logistics. Some local partners felt there was also a need to look at the social care, hospitality and tourism sectors, as these are growing in employment and importance to Greater Manchester's economy.
- Local authorities within Greater Manchester already have their own plans and strategies, and it was challenging and **not always possible to totally align with priorities** in the LIS in part due to its scope.
- The experience of some partners of the **co-design process with Government** resulted in some tension in the co-ownership of the LIS as a document between Greater Manchester and Government. Some stakeholders felt that Greater Manchester's published strategy was less ambitious than a locally-published strategy could have been.
- **Delays in terms of Government signing off documents** created challenges. This was illustrated by the Interim Statement that was published to provide an update on the progress of developing the LIS. The update was agreed by local partners, but was

published by Government months later, after stakeholders had already been consulted, and so at the point of publication it didn't reflect what was happening locally.

## Oxford-Cambridge Arc

### Context and process



In November 2017, the Government announced that the Oxford-Cambridge Arc would be in the first wave of places to develop a LIS. The three LEPs in the area – Buckinghamshire, Cambridgeshire and Peterborough Business Board of the CA, Oxfordshire, and South East Midlands – therefore initially prepared to develop a joint LIS.



Following the announcement from Government, each partner in the Arc began work building and refining their evidence bases in early to mid-2018. Each LEP built on its existing evidence base using local and national data. In order to supplement evidence and understand experience in local economies, LEPs embarked on engagement programmes with local stakeholders.



This process was similar across the Arc, approaching businesses, higher education institutions, further education providers, and others. Oxfordshire conducted a deep-dive engagement exercise with business from different sectors. South East Midlands found that early engagement with business enabled them to incorporate views into the evidence base, for example, concerns over a lack of available local commercial premises. Further stakeholder engagement was carried out following drafts of evidence bases being submitted to Government around autumn 2018.



From evidence bases and input from stakeholders, the four LEPs each drafted a LIS. Drafting of strategies were led and completed locally before being agreed with Government. As part of the co-design process, Government worked with LEPs to make edits following internal review by the Cities and Local Growth Unit and consultation with other Government departments.



Partners in the Oxford-Cambridge Arc worked with Government on draft strategies up to December 2018, with publication intended by March 2019. However, due to intense activity in the run up to the EU exit date of March 2019, publication was delayed until July 2019. In July 2019 the four LISs were published together under the banner of the Oxford-Cambridge Arc, each including a section on the economic and policy context of the Arc, as joint documents between places and Government.



Following the publication of the four LISs for the Oxford-Cambridge Arc in July 2019, places are now thinking about implementation. Each LEP is continuing to work with Government officials on how to implement its strategy. For example, SEMLEP has set up sub-committees tasked with overseeing the implementation of different aspects of the LIS, and are working with leads in key sectors as ambassadors to lead on how to address specific issues, for example barriers to space for small businesses to scale up. Members of the Arc are also continuing to work together to take forward priorities for the wider region. Cambridgeshire and Peterborough sees its LIS as closely aligned with its transport and spatial plans as a key strength in its local implementation.

Each LEP started from a different point in terms of powers, governance and policy agreements with Government:

- Buckinghamshire LEP has a two-tier local government system and is coterminous with the upper tier. There is a longstanding debate around unitarisation locally and in March 2020 the current two-tier system will be replaced by a single Buckinghamshire Council. This is relevant because discussions around unitarisation were ongoing during the LIS process. The LEP had completed its Buckinghamshire Growth Strategy 2017-2050, which included a range of local economic analysis, before the LIS development work began.
- Cambridgeshire and Peterborough Combined Authority has a Business Board which performs a similar function to the LEPs. The CA had completed the Cambridgeshire and Peterborough Independent Economic Review (CPIER) in September 2018, and through this process had built a comprehensive local economic evidence base steered by an expert panel.
- Oxfordshire LEP covers an area with two tiers of local government and is coterminous with the upper tier. It has a Housing and Growth Deal with Government, which was agreed in March 2018. The Deal allocated up to £215 million in Government funding and planning flexibilities to support the delivery of 100,000 new homes by 2031, and included the delivery of a LIS for Oxfordshire.
- South East Midlands LEP (SEMLEP) covers an area with a mix of unitary authorities and two-tier local government structures. Prior to beginning the development of the LIS, SEMLEP had existing recent economic evidence from their Strategic Economic Plan refresh, as well as supporting evidence from the Milton Keynes 2050 programme led by the local authority.

In many places, the LIS was overseen both by the LEP board and a sub-board or group to govern the development of the evidence base and strategy. Other sub-boards, committees and forums supported this work, for example, the Oxfordshire LEP Board drew on the expertise of eight policy groups. Local authorities in each area were key partners in the LIS development process.

## Positives and challenges

Through consultation with partners in the development of the LISs across the Oxford-Cambridge Arc, we explored the positive elements of and results from the process, and the challenges that partners faced.

### *Positives*

- The process of developing LISs was helpful in **bringing together local businesses** and starting a conversation about the whole local economy and links between sectors. **Workshop-style engagement sessions** were valuable, with strong engagement from the business community and stakeholders. The fact that all places had undertaken some

recent engagement, and the focus on productivity meant that there was opportunity to engage beyond the ‘usual suspects’. For example, the Oxfordshire LIS brought together landowners, property advisors and science parks for the first time to understand the issues and opportunities associated with science and business park provision. This resulted in real alignment between senior leadership in businesses and local authorities.

- Partners felt that the **process of prioritisation** following guidance from Government for the strategies was valuable for local institutions. For example, Buckinghamshire focused on key areas such as the role of micro and small businesses and the importance of the creative sector to the local economy. This enabled the LEP to look at the assets of Pinewood, Silverstone and the gaming cluster in Wycombe, as well as focusing on how to support micro and small businesses in the area.
- There are good **links between the LEPs in the Oxford-Cambridge Arc**. The chief executives work closely together, and institutions across the area do significant collaborative work, for example, linking businesses and the universities in sectors across the area. Cranfield University and the Open University in the SEMLEP area have strong working links with the space centres at Harwell in Oxfordshire, whose partners include the University of Oxford and University of Cambridge, and Westcott in Buckinghamshire.
- **Local authorities and universities played a key role** in inputting to the strategies and helping to steer agreement to the final documents. Universities provided a strong research component to the process, particularly around science and innovation assets, strategies and funding.
- **Some places found the co-design element of the LIS process to be helpful**, with good support from officials from the Cities and Local Growth Unit to manage discussions with other Government departments and providing timely feedback (though, as below, other places found this element of the process to be more challenging).

### **Challenges**

- There was some tension between local place priorities and larger economic strategic priorities. Some partners felt that **Government didn’t always understand the sensitivities and logistical and timescale issues** associated with taking the narrative through separate local political processes.
- Partners noted that **resourcing and capacity** to develop LISs will vary between places. For example, not everywhere will start with an evidence base such as the Cambridgeshire and Peterborough Independent Economic Review (CPIER) provided. It was also unclear what further capacity support places might be able to receive to drive implementation, given future funding uncertainty. Some partners were concerned that other trailblazer areas with Combined Authority structures and funding were at an advantage, including in terms of more attention from Government departments.

- Over this period, **LEP boundary overlaps** hadn't been resolved, which impacted the boundaries of all four of the LEP areas in the Oxford-Cambridge Arc.
- Partners' experienced **some challenges working with Government to co-produce the LIS varied**. Issues identified included:

- **Changing policy direction and processes from Government** over the time that the trailblazer areas were developing their LISs. At the beginning of the LIS process, Government indicated to places that strategies would be locally led, and that they were free to decide content and structure, making the documents locally distinctive.

Further along in the process, partners noted that it appeared Government wanted to fit strategies into a template, after drafting had been developed locally. This reflected the trailblazer nature of these Local Industrial Strategies – the process and policy were new to Government and local partners, and structures were developed alongside strategies. As part of the drafting process, some LEPs found it more difficult than others to fit drafting into structures.

- **Ambiguity around the purpose of LISs** – in particular whether there would be specific funding streams to support the LIS priorities and how the emerging LISs were to integrate with other initiatives such as sector deals and Industrial Strategy Challenge Funds that were being announced during the process of drafting the LISs. This was a challenge for local and central Government teams alike.
- **The approach to agreeing the final documents was less collaborative than most places had expected**. The process typically involved submitting locally-produced drafts for review by the Cities and Local Growth Unit and consultation with other Government departments, and being returned with edits and comments. This undermined the collaborative dynamic and the local nature of the priorities – and risks undermining the work undertaken with local partners to agree the narrative. Places in the Oxford-Cambridge Arc were clear that they would have welcomed earlier collaboration with Government.
- **Mixed views about the effectiveness of the Oxford-Cambridge Arc Joint Declaration process**. Local partnership structures have worked well, and some places have welcomed the inclusion of the Arc chapter in their LIS. Others are concerned that the process of pulling together the Joint Declaration was less effective than it might have been, whilst in the case of the representative of one LEP it would have preferable to simply have a single LIS for the whole Arc.
- **Ongoing concerns about the absence of clear Government policy and interventions relating to the Arc**. Partners remain concerned that without clear indications from Government that the Arc remains a priority, that it will be hard to maintain local engagement and interest.

## West Midlands

### Context and process

The West Midlands has a Mayoral Combined Authority (WMCA) with seven constituent member local authorities, ten non-constituent member authorities and three LEPs: the Black Country, Greater Birmingham and Solihull, and Coventry and Warwickshire.

The West Midlands agreed that its LIS should cover the three-LEP area and be developed jointly between the CA and three LEPs, with oversight and direction provided by the Strategic Economic Development Board of WMCA and day-to-day work developed by an officer group, which included the West Midlands Growth Company and BEIS. The Strategic Economic Development Board is business led, and the WMCA board agreed early that the strategy should be business led but focussed on the big opportunities that could drive future growth in a more inclusive direction, consistent also with zero-carbon commitments.

- 

The Government announced in November 2017 that the West Midlands would be one of the three trailblazer areas to develop the first wave of Local LISs, along with Greater Manchester and the Oxford-Cambridge Arc.
- 

The evidence base was developed by the Black Country Consortium behalf of the West Midlands, working with emerging Office of Data Analytics in WMCA. An independent economic review panel of national experts reviewed the evidence base before being submitted to Government.
- 

The partnership set up a detailed scoping and consultation exercise, holding a series of workshops and conversations with partners between March and August 2018, and published a consultation document for local public consultation in October 2018. WMCA and partners agreed early on to work closely with all the region's higher education institutions. A member of Warwick University staff was seconded to draw together input from over 80 academics on the Grand Challenges and on ideas and innovation; business schools contributed substantially in terms of local intelligence and expertise on productivity, value chains and business trends such as servitisation; the CBI set up a series of business-led working groups to provide policy ideas and input; and the Chambers of Commerce developed interventions around export and trade, as well as engaging with their membership to develop the strategy.
- 

Through drafting following engagement and consultation, the WMCA Board agreed a version to submit to Government in December 2018 and signed off a final version in January 2019. The process of Government agreement then took the publication date to May 2019.
- 

WMCA and the three LEPs are working together to lead the implementation stage of the LIS. Each LEP is leading on a number of sectors across the wider area and

working with the CA to lead on a particular major opportunity. For example, Transport for the West Midlands are working with Coventry and Warwickshire LEP and Government to lead the future of mobility priority. An integrated implementation plan and dashboard has been agreed and will be used by the Strategic Development Board to oversee progress. There is not yet a clear plan in place for future funding for implementation, given current Government uncertainty about economic development funding post growth deals and current EU funding rounds.

## Positives and challenges

Through consultation with partners in the development of the LIS, we explored the positive elements of and results from the process, and the challenges that partners faced.

### *Positives*

- **Partners felt that local business engagement was extremely important**, not just in strategy development, but in using the process to help identify new opportunities and challenge perceptions within business groups and sectors. For example, the involvement of logistics firms and academics in sessions facilitated by the LEPs and CA led to new thinking in the sector about how to address the future. In the same way, work to bring together life science firms led to lasting commitment to cluster development and improving commercialisation pathways. Engagement took place both formally through Chambers of Commerce and the CBI, and through informal networks, resulting in a strong business voice in the evidence base and strategy. In many ways, the lasting impacts of these business discussions will be one of the most important outcomes of the LIS for the West Midlands.
- **Combined Authority leaders engaged early** in the strategy development process and with the emerging principles, which garnered strong local institutional buy-in to the process and the early results.
- The West Midlands used the strategy development process to further embed and develop its already **strong shared evidence base** that it uses across a wide range of organisations. This included commissioning some further specific analysis and giving a new focus to existing work on skills and productivity. For example, work for the West Midlands and BEIS nationally on the business and professional services sector by Birmingham University has underpinned both the national sector deal and the West Midlands LIS
- The process of developing the strategy saw **good engagement between the West Midlands and Innovate UK**, enabling Innovate UK to reach a deeper understanding of the issues and barriers to business innovation – including measurement – both locally and nationally. There is a real opportunity for this to transform into a long-term improved working relationship.

- **A single LIS for the West Midlands** provided a practical lever for partners to drive integration between, for example, new transport investment, housing, innovation in construction, and new careers for local people. Partners felt this was especially beneficial in a city region with a relatively new Mayoral Combined Authority, a large Combined Authority Board, three LEPs and 18 local authorities operating across a very large area with different local economies within it. The LIS seeks to integrate agreed plans for housing and skills, for example, building on existing deals agreed with Government and strengthening the productivity and community impacts through enabling different strands of investment to work together.
- This aim of maximising impact on communities and businesses led to the early development of an approach of working in specific **corridors where a large amount of investment across different themes could be aligned** to drive benefit for local communities. This is now a wider long-term priority for the West Midlands.
- The strategy development work also **increased awareness of the cross-sector opportunities** that are opening up for local people - for example, between creative businesses and manufacturing using gaming skills in vehicle design - and the opportunity this provides for local people who might not otherwise consider traditional manufacturing career routes.
- The process saw **local authority leaders continuing to work together** to agree practical actions and priorities around inclusive growth and integrating investment across boundaries and silos.
- Partners felt that, in the West Midlands, the **co-design process with Government generally worked well, and Government officials were open** from the beginning to working with the West Midlands. For example, the process moved forward the debate about the future of mobility with Government and influenced HM Treasury on the importance of life sciences in the area. The West Midlands was determined to work in step with Whitehall officials and Ministers and develop the LIS in an open-book way. There was a sense that Whitehall has a tendency to want descriptions of economies outside London as more simplistic than they really are – to try and focus on one or two distinctive traits or industrial assets. BEIS formed part of the LIS development team, steering group and were very open and transparent in their work. Senior officials were involved in very early discussions about direction and approach and the development of the evidence base and interventions.

### **Challenges**

- The Combined Authority agreed the strategy in January 2019, and worked with Government to agree the final strategy published in May 2019. **Publication was delayed from the originally planned date**, due intense activity in the run up to the March 2019 EU exit date.

- At the start of the LIS process Government said it wanted to see a **focus on productivity, and at the same time, it wanted LISs to be locally distinctive** and to pass the ‘tippex test’. Partners felt that there was a risk of a contradiction at the heart of trying to do both in one place. The major issues affecting industrial productivity in the UK are very similar across different local areas, so by searching for distinctive industrial strengths and interventions that are easy to communicate for national policy makers there is a risk that this reduces the focus on wider productivity and competitiveness in the local economy.

This is particularly true in terms of wider inclusion, where a focus on existing or very visible strengths could mitigate against investment in improving productivity and growth in communities that were currently not connected to those sector or markets. A narrow approach to industrial strategy risks further entrenching the sense that central Government views economic and social policy through separate lenses, and makes it more difficult locally to make industrial policy matter to, and benefit, communities.

- Partly because of resource constraints, partners thought it **unclear the extent to which Whitehall analysts will continue to maximise the opportunity of using a genuinely shared evidence base with the West Midlands**. This is in the context of an opportunity - and growing need - to look again at sector definitions and categorisation nationally given the increasing importance of areas of the economy such as energy, and aspects of services and creative industry, that aren’t picked up by existing SIC codes.
- In the **absence of any clear process for future Government funding** – due to Brexit delays to the multi-year spending review, combined with the HM Treasury decision that trailblazer LISs contain no new funding commitments – local partners had to focus more on how to optimise investment already committed and couch any future funding proposition as a local ambition.
- Some felt that **the place foundation chapter is difficult to make specific to the LIS** without being overly negative about areas that need investment.

## 3 Lessons learned

While the context of LISs was the same in all three trailblazer areas, the starting point, process and governance structures in each place differed, and this had an effect on individual experiences.

However, there were common themes of positive aspects to come from the process and challenges that places faced. Below is summarised some of the key lessons learned from the trailblazer areas and advice to other places in developing LISs, and more widely, pursuing local economic strategies based on robust local evidence bases with local agreement and buy-in.

### Purpose of strategies

Consultees emphasised that, first and foremost, a successful strategy resulted from places taking a long hard look at their economies over the long-term cycle, to determine what the realities are, what the local core assets are, and what the currently adjacent assets are that can be developed to become key to the economy.

From the beginning of the process, having the right mindset and institutional culture in place helped places to galvanise local stakeholders and wider communities to cut past issues, open up continued communication, be realistic about the local economy, and capitalise on underused assets.

Consultees noted the importance to strategy development of looking beyond the title of a 'Local Industrial Strategy', and understanding the value of building an economic strategy that is based on robust evidence, is long-term, and which can be 'live' for local stakeholders and regularly updated.

The balance between focusing on productivity and highlighting distinctive advantages in a place can feel at odds. Consultees felt that the process was beneficial for places when strategies allowed for space to address the opportunities and challenges that face sectors where large numbers of people work locally, and which face low productivity-low wage challenges, whilst also supporting opportunities in new sectors.

Consultees found that LISs cannot and should not cover all the topics that might come up during an engagement process (though it might reference some of the most relevant issues). It was important to places that the strategy links to and is developed alongside other more detailed plans, and it was vital that where the findings of the engagement process do not relate directly to the strategy, but are nonetheless important, that these insights are captured and acted on by the relevant people, organisations, and processes.

## Local consensus and cooperation

Places were, and encouraged local partners and stakeholders to be, ambitious in developing strategies. However, this had to be balanced with realism and clarity about what is achievable and deliverable through the process of agreeing a strategy across a relatively large economic geography. Consultees found that it was possible to aim for broad consensus around a set of thematic priorities at the large geography level, the detail of which could be more fine grained in local areas.

Places found that there were political and hyper-local priorities that couldn't be included in the strategies, and consensus around this with diverse stakeholders needed to be managed. This formed a part of the joint working between local partners and Government, through agreeing the balance of local and national priorities and the scope of strategies. It was important in this context for partners to be able to manage the expectations of stakeholders. The institutional structures, geography and culture – for instance, the length of history of local partners working together on economic strategy – of the place had to be taken into account when considering the approach.

## Engagement and consultation

Consultees emphasised the importance of engaging stakeholders, particularly businesses, but also education institutions and the third sector, early in the evidence gathering process. It was helpful to, from the outset, make very clear to stakeholders the purpose of the strategy and manage expectations of the realities of working with multiple stakeholders and Government.

Some consultees found that starting with a simpler plan for the strategy and waiting until later in the process to consult publicly, would have enabled them to better set aside time to look at the evidence and emerging priorities. There was significant time needed to build in for local agreement and internal sign-off as well as Government agreement before going back to stakeholders with results.

There is therefore a balance required between sufficiently sighting stakeholders and managing expectations about what can be agreed with Government based on policy priorities.

In places where recent economic strategy work had been done prior to the new strategy process, stakeholder engagement felt like it was ongoing, and there was an existing contact base from which to draw, to enable conversations about the strategy to be entered into more easily.

## Co-design with Government

It was felt that the process of working with Government has been powerful and has given the strategies more weight and buy-in as joint documents between places and Government.

Each trailblazer area started from different positions in their institutional structures and partnerships, as well as their collective experience of working with Government departments. Each place's experience of co-design therefore differed. Some partners had more past experience of working with Government in an iterative process of agreeing priorities, and some found the process of balancing local and national priorities challenging. All those involved were producing LISs for the first time, and were learning, gaining insight and developing the process as it progressed.

Where there was one Government 'gatekeeper' contact for a place, this was generally seen to have worked well – though it is important that this gatekeeper role plays an active part in liaising with other Government departments and is consistent throughout the process.

It would have been helpful for Government to be clear from the beginning on their expectations from the process and the final strategies to empower places from the start and avoid any ambiguity later in the process. Likewise, it remains important for Government to be clear about their expectations for the next wave of LISs.

Places found that they had to strike a balance between Government preferences and local stakeholders' priorities, for example, including explicit monitoring targets in their strategy.

The co-design process with Government can risk oversimplifying a place. The Government wants to know what makes a local economy distinct, and can narrow down priorities, missing those that matter. Some partners felt that their strategy didn't address some things that are important nationally as well as locally.

The role of Government could have gone further, for example, joining up similar places as they develop their LISs, putting forward ideas from a national view of a place, providing case studies from places other parts of the world, or providing a central Government viewpoint.

Openness between local and national officials, recognising different constraints, benefited the growth of understanding in Whitehall about the realities of sectors and productivity in different parts of the country, and created more collaborative relationships between central Government and local institutions.

## 4 Next steps

### Advice for places developing Local Industrial Strategies

LEP and Combined Authorities across England are currently working on developing their LISs. These may change in form or purpose following the General Election as a new or returned Government defines its priorities. However, the importance of a clear, well evidenced, local plan to tackle productivity and growth is not in doubt.

The experiences of the trailblazer areas and the lessons learned set out in this report are intended to help to inform other places during the process. Below are some of the key pieces of advice for other places developing their LISs.

- While working with Government, retain the focus that the LIS is for the place, and **build a sense of ownership** with partners and stakeholders.
- Involve **local partners and experts in the process of building a robust, local evidence base**, and use the opportunity of the structure of the LISs to focus on productivity. Beyond the current waves of LISs, ensure that this evidence building and engagement is an ongoing process, with the intention to have a 'live' local evidence base that provides new insights, is ambitious, and can be continually built upon and refreshed.
- Utilise the process of prioritisation when developing the LIS, particularly in places where there are a number of layers of local institutions, to **bring together local partners and build consensus** among local authorities, Combined Authorities and LEPs, around the opportunities, strengths and challenges in the local economy.
- **Engage stakeholders, particularly businesses, early in the process**, and demonstrate progress through providing updates and seeking input to the evidence base and a consultation document used for building the strategy.
- Maximise the opportunity that **co-design with Government provides to enter into discussions** with officials to deepen understanding in Whitehall of the different dynamics of local economies across the country.
- Consider and plan the required **capacity and resourcing for implementing** the interventions in the LIS once it has been published.
- Plan for the work of creating a strategy to form a foundation for engaging with other Government local growth policies and funding streams, for example, during the process of developing the evidence base and strategy, ensure that the area's towns are included in the work to support engagement with the **Government's Towns Fund**.

## Recommendations to Government

While the future Government policy landscape may change, there were points raised by partners in the trailblazer areas that form a set of recommendations for Government in future economic development policymaking. These are set out below. These points are relevant for the Implementation Plans that places are producing for their LIS. They are also relevant for future policy areas such as, for example, the current Town Deal programme that the Government has established, and any future policies around devolution of powers/funding to local places.

- **Make clear from the outset what Government’s purpose is in asking places to produce a local economic strategy, programme or plan.** This includes the opportunities and benefits that may come from this work to the place and how Government intends to use the work. Government should be clear on expectations for the overall purpose of any strategy it commissions from places, as well as the desired or required content and format.
- Government should also aim to **stick to the publication timescales that it agrees with local places**, as far as other events allow, as these are necessary for local places’ own engagement and communications efforts.
- **Enable officials based in Whitehall to spend time in places** to gain a deeper understanding of local economies and engage with stakeholders throughout a strategy development programme, so that there is a sense of mutual buy-in and co-creation between Government and local partners. Early involvement is important to ensure that Government understands how local priorities have been arrived at.
- **Support local strategy creation with analysis, expertise and coordination from the centre**, including joining up places facing similar opportunities or challenges, and providing intelligence from national and international examples of innovative practices. The LEP Outlook Report being produced by BEIS is a good example of how this can work. Greater provision of relevant Government statistics (in particular, HMRC data on firms, turnover and exports) at a local level would be very helpful to places in developing and updating their economic evidence base.
- **Support local institutions with capacity and resourcing** constraints to carry out implementation plans for LISs, and through any new Government policy that results in the process of creating a local strategy or programme, so that places can base strategies on comprehensive evidence and local engagement. This should be particularly considered where Government is working to tight timelines with places.
- **Provide clarity about the future plans for pan-regional or local growth bodies and devolution** so that local partners can deliver the plans in their LISs.



## **Metro — Dynamics**

3 Waterhouse Square  
138 Holborn  
London  
EC1N 2SW

020 3868 3085

Elliot House  
151 Deansgate  
Manchester  
M3 3WD

0161 393 4364

