

The LANCASHIRE ECONOMIC STRATEGY 2010

FRAMEWORK of PRIORITIES

A NEW AGENDA FOR LANCASHIRE COUNTY COUNCIL

DRAFT FOR CONSULTATION WITH KEY PARTNERS

1. Introduction

- 1.1 Lancashire County Council is seeking the views of key partners on its Framework of Priorities, as these are expected to form the basis of the County Council's new Economic Development Strategy, which will be launched in early 2010.
- 1.2 The County Council believes, as the strategic leader of Lancashire, it is important that it shares with key local, regional and national partners, across all sectors, its early thinking and priorities on this issue.
- 1.3 The County Council is also keen to develop stronger relationships with private sector wealth creators, and to understand better how the Council and other public sector agencies can work with entrepreneurs and employers to deliver greater prosperity for the Lancashire Sub-Region.
- 1.4 The County Council's new Economic Development Strategy will provide the stimulus for constructive dialogue and the development of shared priorities for action, in conjunction with public and private sector leaders.
- 1.5 This draft Framework sets out the economic development priorities that the County Council aims to achieve in partnership with others, and the key actions it will take itself to support and accelerate the achievement of these objectives.
- 1.6 The new Strategy, once agreed, will provide the overarching framework that will direct the County Council's approach to economic development issues over the next three-years. It is also intended to be of value to local authority partners within the County, and also our partners in neighbouring Blackpool and Blackburn with Darwen.
- 1.7 The County Council is playing an active leadership and development role in all three of Lancashire's Multi-Area Agreements (MAAs), in Pennine Lancashire, the Fylde Coast, and Mid Lancashire, and views these frameworks as vital to success of the Lancashire Sub-Region. Accordingly, it is important that local partners understand how emerging MAA priorities will be reflected within the Council's new Economic Development Strategy.
- 1.8 We also believe the Strategy will make a significant contribution to the emerging Sub-Regional Integrated Strategy for Lancashire, and the new

Integrated Regional Strategy, which is being prepared by the North West Regional Development Agency.

- 1.9 The County Council's draft Framework of Priorities is structured around five strategic priorities, which we think are critical to Lancashire's future economic success, namely:
- i. Economic Growth, Knowledge and Innovation;
 - ii. Spatial;
 - iii. Skills and Employment;
 - iv. Infrastructure; and
 - v. Partnership Development.
- 1.10 The draft Framework also identifies 15 key priorities that relate directly to the County Council alone, and these will be embedded within the agreed Strategy.
- 1.11 The County Council has not commissioned new research to support the development of its emerging Strategy, but we have drawn extensively from available evidence to support our analysis of economic priorities.
- 1.12 We believe that this evidence-base will place Lancashire in a good position to meet the expected new statutory duty on Councils to prepare robust local economic assessments, which is expected to be in place by April 2010.
- 1.13 The County Council welcomes the views and comments of key partners on the draft Framework, and, in particular, if they agree with the Council's assessment of Lancashire's economic prospects, and whether the priorities identified are the right ones for Lancashire as a whole.

2. Current and Future Economic Prospects

- 2.1 The worst effects of the economic recession may be receding, but growth prospects could be subdued over the short-to-medium term, with national public finances taking many years to recover following initiatives to stem the collapse of the global banking and financial system.
- 2.2 In Lancashire, the County Council has worked with partners to mitigate the worst impacts of the recession on hard-pressed businesses, families and individuals, and this focus will continue for the next year or so.
- 2.3 However, the County Council's new Economic Development Strategy takes a longer-term view of Lancashire's economic prospects.

- 2.4 The Lancashire Sub-Region is one of the largest economies in the North of England, and in the North West generates a level of economic activity that is second only to the Manchester City-Region.
- 2.5 However, there is no room for complacency or indecisive action. Over the last three decades, Lancashire's economic performance has consistently declined, in relation to key national benchmarks, and, notably, when compared to the progress made by neighbouring City-Regions, especially Manchester.
- 2.6 The process of economic restructuring in Lancashire is clearly far from complete, but in our analysis there is considerable evidence to indicate that Lancashire's future economic prospects are robust.
- 2.7 We believe that strong and inclusive civic leadership, underpinned by strategic economic partnerships and frameworks that command the support and confidence of private sector partners, will enable Lancashire to reclaim its rightful position, as one of the UK's most important economic centres, over the next 10 years.
- 2.8 Lancashire's economy supports a growing number of world class companies in different sectors. We must all do more to support them and exploit their continued success to attract new, high growth sectors, whilst also promoting innovation-led growth within the local business-base.
- 2.9 There is evidence that a number of our world class companies are embarking on major investment programmes of national significance.
- 2.10 We also have University assets that only Manchester can match or better in the North of England, but we must work harder to ensure that these centres of learning and research contribute to the growth of Lancashire and the wider region.
- 2.11 Too many of our residents are still not equipped with the skills needed to access new employment opportunities, but our education and skills-profile is still strong compared with the North West. However, we need to grow and attract the higher-value growth sectors where Lancashire has real competitive strengths or potential, including aerospace, nuclear, energy & environmental technologies, creative & digital, and business & professional services, whilst also working harder to retain our graduate talent and develop our high-skilled resident-base.
- 2.12 Lancashire is well-connected, with good links to national motorway and rail networks and Manchester Airport. It also possesses a well-developed digital infrastructure. To remain globally competitive, Lancashire must further improve its broadband networks by exploiting the public sector infrastructure that is already in place, and by developing new partnering arrangements with private telcos, where appropriate, to help deliver greater economic, social and public service benefits.

- 2.13 Lancashire must also become better at competing for any new public investment that may be available to deliver major transport schemes critical to our future success, including the long-term prospect of a high speed rail link in Preston/Central Lancashire, for example.
- 2.14 There is much untapped economic potential in Preston (and wider Central Lancashire) and Lancaster, in particular, which can lift the long-term growth prospects of Lancashire as a whole. Over the next 10 years, we will expect these locations to become focal points of regional importance for higher-value growth.
- 2.15 The County Council's desire to see these places realise their economic potential does not mean that our focus on other major opportunities, in Pennine Lancashire or along the Fylde Coast, will be reduced nor regeneration frameworks in these areas undermined.
- 2.16 Lancashire must realise its true potential, and we must all work to ensure that the benefits of prosperity are shared and enjoyed by all Lancashire's residents and communities.
- 2.17 To this end, we view Lancashire's three new and emerging MAA frameworks as central to unlocking and connecting places of opportunity and need, over the coming years. However, we must all recognise that only certain locations can deliver the scale and quality of sustainable growth that is required, and we must all work harder at linking communities in need with places of opportunity.
- 2.18 Our analysis confirms the view that Lancashire's economic prospects are strong, with the ability to deliver the following key outcomes over the next 10 years, including:
- * New economic activity (GVA) valued at £3 Billion, underpinned by private investment plans worth around £4 billion;
 - * The creation of nearly 40,000 new jobs, with more than 15,000 new jobs in higher-value sectors;
 - * A rate of GVA per head that matches or out-performs the national average;
 - * Employment gaps in our communities in greatest need reduced to the national average; and
 - * Improvements in the quality of our collective strategic leadership that enable Lancashire, as a whole, to become recognised as a destination of choice for businesses, investors, visitors, students and residents alike.
- 2.20 The remainder of this document aims to identify the key priorities for action that flow from the analysis above.

3. Shared Priorities for Action

- 3.1 The County Council recognises that national public finances are likely to remain in a poor state for many years to come, therefore, it is highly unlikely that any major public investment streams will be made available (in the short-to-medium term) to the County Council, or the Lancashire Sub-region, to support the delivery of our economic priorities.
- 3.2 We must therefore compete more effectively for the resources that are available, whilst positioning ourselves to take advantage of any changes in way national and regional economic development delivery arrangements are structured.
- 3.3 With this in mind, our draft Strategy is designed to provide a clearer focus on those priorities that will make the most difference, in terms of delivering a step-change in the long-term economic performance of Lancashire.
- 3.4 The County Council can clearly not deliver these priorities alone, but it can provide strategic leadership and support to help make the progress required, and will seek to work with all those partners committed to improving the future prospects of Lancashire.
- 3.5 Below are the five strategic priorities, which the County Council believes are central to Lancashire's future success.

i. Economic Growth, Knowledge and Innovation

1. We need to ensure that Lancashire's seven strategic development opportunities of regional importance are advanced and sequenced to accelerate the sustainable growth of the region as a whole.
2. Lancashire's three MAA frameworks, and, in turn, new and emerging Economic Development Companies, must bring forward strategic development programmes that focus on delivering the scale and quality of sustainable growth required.
3. We must unlock Lancashire's growth potential as a location for nuclear and other energy sectors, by taking advantage of our natural environmental assets, supporting the plans of our industry leaders, and promoting University R&D in these high growth sectors.
4. We must ensure that Lancashire's competitive advantage in advanced manufacturing is enhanced, with a clear focus on meeting the economic needs of the aerospace sector, and other important manufacturing sub-sectors, including, environmental technologies, automotive, construction, food and medical.
5. We must ensure that Lancashire's deficit in knowledge-based and creative sectors is bridged by supporting University-led incubation and

spin-out opportunities, re-targeting public-sector business support services on higher value sectors, the provision of risk capital, where appropriate, and working with the developer/investor community to bring forward the business accommodation that is needed.

6. We must strengthen linkages with major regional developments, including Mediacity:UK and the emerging Energy Coast initiative.
7. We must improve Lancashire's visitor economy offer, including city-based, market town, heritage, coastal resort, sports and regional park assets/opportunities, whilst maximising the benefits of hosting major national and regional events, including the British Open and Preston Guild in 2012.
8. We must work together to ensure that Lancashire's economic growth priorities focus on positive action on mitigating the impacts of climate change, and help generate low carbon technology innovations that can help create a carbon neutral economy.

ii. Spatial

1. Ensure that Preston (and wider Central Lancashire) realises its full potential as a location that can spearhead Lancashire's emergence as a major centre for learning, financial & professional services and retail.
2. Maximise opportunities for Preston (and wider Central Lancashire) and Blackpool & the Fylde Coast to consolidate and grow as locations for Government and Agency-based institutions.
3. Ensure Lancaster Science Park is successful, and that Lancaster University, and the City of Lancaster as a whole, realise their "science city" and heritage tourism potential.
4. Work with partners to ensure that major public investment programmes (in housing, schools, FE/HE institutions, enterprise, transport and health) in Pennine Lancashire deliver the transformational regeneration outcomes required.

iii. Skills and Employability

1. Establish three private sector-led Employment and Skills Boards (ESBs), in line with Lancashire's three MAA footprints, to ensure that current and future skills demands are more closely addressed by education, employability and training providers.
2. Work through the ESBs to ensure that Lancashire has the right supply of high level skills (Level 4+) to meet current and future economic demands, with a focus on retaining graduates in high growth sectors.

3. Work through the ESBs to integrate mainstream approaches for residents who have recently lost their jobs and those who are long-term economically inactive.
4. Work through the ESBs to reduce unemployment in areas in acute need.
5. Work through the ESBs to ensure that employers make the most of local apprenticeships and graduate internships, and continue to up-skill their workforces to Level 2 and beyond.
6. Work through the ESBs to ensure that major public sector partners become exemplary employers, in their use and progression of apprenticeships, and in the recruitment of "hard-to-reach" residents.
7. Work through the ESBs to provide timely market analyses of employer skill demands, which will help to inform the commissioning processes of the emerging Lancashire Sub-Regional 14-19 Group.

iv. Infrastructure

1. Ensure that major infrastructure priorities, including transport, energy and green infrastructure, reflect the needs of private sector partners and Lancashire's economic priorities.
2. Exploit Lancashire's digital infrastructure, which includes extensive school and library broadband networks, University and other key public sector ICT networks, as well as partnering with private telcos, to help unlock our full economic potential and reduce rural not-hotspots.
3. Ensure that the housing ambitions and priorities of Pennine Lancashire and the Blackpool & Central Lancashire Housing Growth Point are complementary and help to deliver the sustainable growth potential of Lancashire, as a whole.
4. Ensure that Lancashire's major transport projects, including the Fylde Coast Tramway Upgrade, Heysham Motorway Link and Pennine Reach scheme, are delivered on time.
5. Ensure that Lancashire's new and emerging Local Transport Plan (LTP3) supports agreed economic priorities, and that major transport proposals are able to compete for any new public investment, which may become available in the coming years.
6. Work to establish a high-speed rail station/interchange in Preston/Central Lancashire, as part of emerging national proposals to upgrade the West Coast Rail Line, which is also capable of delivering improved East-West connectivity for communities in Pennine Lancashire and Blackpool & the Fylde Coast.

v. Partnership Development

1. Work to ensure that Lancashire's sub-regional economic partnership is fit for purpose, relevant to the needs of business, and can integrate the priorities of new and emerging MAA frameworks.
2. Develop stronger relationships with partners in neighbouring City-Regions, especially Manchester and Liverpool, to help realise opportunities for greater cross-boundary working.
3. Work to ensure that the Lancashire Brand is developed and positioned to help attract and retain the strategic investors, occupiers, highly skilled professionals & graduates, and high income visitors that are needed.
4. Establish and strengthen economic, trade and University linkages with potential partners in India, China and USA, where these can contribute to the future success of Lancashire.

4. County Council Priorities for Action

- 4.1 The County Council recognises that its Economic Development Strategy, if it is to be credible, must also identify the specific actions that it will take to contribute to the achievement of the priorities it has identified.
- 4.2 To this end, the County Council is committed to re-focusing its strategic influence, capacity and relevant core services to promote the economic prosperity of Lancashire, and to deliver improved outcomes from the resources it deploys. The Council therefore intends to:
 1. Become more business friendly, ensuring that planning and other regulatory services are responsive to needs of business customers, for example, and receptive to new ways of working with the business community to secure priorities of mutual benefit.
 2. Establish a private sector leadership team to advise the Council on its strategic economic development priorities, and also provide advice on wider service delivery issues.
 3. Use its strategic and community leadership role to ensure that new and emerging sub-regional economic partnership arrangements help to secure a step-change in Lancashire's performance.
 4. Continue to play its full part in progressing agreed MAA priorities, and support the work of new Economic Development Companies in delivering key actions.
 5. Re-focus the activities of Lancashire County Developments Ltd to fully reflect the priorities within the Council's new Economic Development Strategy.

6. Review the function and operation of Rosebud and micro-finance programmes, and target investment activity on higher growth sectors.
 7. Ensure that its strategic planning, housing, schools, transport and highway policy and investment frameworks fully support the achievement of Lancashire's economic priorities.
 8. Use its leadership of the emerging Lancashire Sub-Region 14-19 Group to ensure that existing and newly commissioned education and learning provision is relevant to current and future economic demands.
 9. Ensure that Lancashire Education Business Partnership provides high quality work experiences for all Lancashire's young people, and helps them make appropriate choices regarding future career paths and/or business start-up opportunities.
 10. Secure the support of business leaders in shaping educational curriculums, championing schools and school improvement programmes, and advising on wider transformational programmes, including Building Schools for the Future, to ensure our young people have the ambition and requirements to take advantage of current and future economic opportunities.
 11. Ensure that the Council's Adult Community Education Service is increasingly focused on equipping residents with the confidence and skills needed to access current and future job opportunities.
 12. Maximise the local economic benefit generated by the Council's procurement activities, without compromising VFM or service quality standards, by working more closely with local businesses/business networks on explaining and streamlining our procurement processes.
 13. Play an active role in strategic land assembly, where this is appropriate, and give consideration to the disposal of assets at nil/reduced value, where this can secure comprehensive regeneration benefits for Lancashire.
 14. Exploit key assets more intensively, including our school and library broadband networks, to help deliver wider public service benefits and economic gains.
 15. As an exemplary employer, expand our approach to apprenticeships, graduate internships, as well as pre-employment initiatives aimed at those residents in greatest need, within a framework that is consistent with the workforce development and operational needs of the Council.
- 4.3 As a result of the above, the County Council expects a range of key outcomes to be achieved, over the next three-years, including:

- * Re-focused business support services working intensively with 200 local companies in higher-value growth sectors;
- * Investment in 50 new companies in higher-value growth sectors;
- * More than 3,000 workless young people (aged 16-25) successfully moved into sustainable employment, training or learning.
- * High quality work placements and entrepreneurship experiences provided to 40,000 young people each year across Lancashire;
- * 30% of the County Council's annual £1 billion procurement programme sourced from companies located in Lancashire, without compromising VFM, competition rules or service quality considerations.
- * Council apprenticeships, internships and pre-employment programmes for target groups of residents, to provide 400 opportunities each year for local people, in line with the Council's workforce development and operational requirements.

5. Next Steps

- 5.1 The County Council now welcomes the views of partners on its draft Framework of Priorities.
- 5.2 The County Council will be actively seeking the views of key partners over the coming weeks, but the deadline for final comments is 18 November 2009.
- 5.3 All comments and views should be sent to Martin Kelly, Director of Economic Development, in the Office of the Chief Executive, at Lancashire County Council, via email at martin.kelly@lancashire.gov.uk.
- 5.4 The County Council intends to agree the final version of its new Economic Development Strategy in December, with a view to launching the Strategy in early 2010.