

**5<sup>th</sup> March 2020****Update: Strategic Economic Plan****Purpose of Report**

This report provides LEP Board members with an update on the progress of the SEP following discussions at previous LEP Board meetings. Members will be provided with an overview of the feedback and how this has been responded to in the revised draft of the SEP.

**Thematic Priority**

Cross Cutting - Policy

**Freedom of Information**

This paper will be available under the SCR Publication Scheme.

**Recommendations**

The Board is asked to:

- Agree the proposed consultation on the draft strategy.
- Note the timetable for completing and publishing the SEP.

**1. Introduction**

- 1.1** The Strategic Economic Plan (SEP) will be an overarching strategy which will set out how to grow the economy in a way that better includes and benefits all communities across SCR and improves our natural capital.
- 1.2** Once the final SEP is agreed, we will develop implementation plans, which will work through the detail of the proposed interventions, including a focus on Place Delivery Packages, the role of stakeholders, expected outputs and outcomes, and the resource implications.
- 1.3** The Board has been fully engaged at every step in the development of the SEP. since last Spring, you have steered the development of the strategy and shaped the draft document.
- 1.4** This paper outlines feedback following circulation of the draft SEP to LEP Board members, how we have responded to this feedback, and potential next steps.
- 1.5** A revised draft SEP is provided at Annex A.

**2. Proposal and justification**

- 2.1** Following the LEP Board meeting in January, a draft SEP was circulated, and a feedback window of four weeks was provided in line with the Board's directive. A presentation will be given to the meeting to set out the main points of feedback.

**2.2** We have revised the structure of the document, in line with the comments received. The new structure is presented below:

1. Introduction
  2. Vision - sets out the three policy objectives of growth, inclusion and sustainability.
  3. Our Vibrant Places – presents the headline themes and priorities submitted by each LA and the role of urban centres and how the strategy will be anchored in our places. Also sets out the importance of culture.
  4. Innovation, Enterprise and Growth – explains how SCR’s innovation-led growth will be delivered.
- Chapters 5-9 present the key enablers to deliver growth:*
5. Skills & Employment
  6. Clean Energy & Net Zero
  7. Transport & Mobility
  8. Digital
  9. Land, Housing and Built Environment
  10. Outcomes, Benefits and Financial Implications – explains the people-focused outcomes.

**2.3** Broad feedback points and what we have done to reflect these in the revised draft, are outlined below:

- **Vision** – Comments received suggested this needed revising to emphasise inclusion. The proposed wording has now been adopted.
- **Clarity** – Feedback confirmed that the document required tightening and greater clarity so that the key interventions needed to deliver the strategy and achieve our policy objectives are clear. There were differing views on length however, a shorter document is desired, noting that other economic plans, strategic documents and local industrial strategies in other parts of the country are of a similar length. We have responded by pruning the document but there is a need to balance brevity with substance.
- **Innovation** – Board members made clear that the role of innovation needed to be clearly explained. This has been clarified in the document. Our adopted definition refers to innovation in its broadest sense (e.g. inclusive innovation, innovation to drive the low carbon economy) but also recognises innovation in decision making, and in the delivery of projects, programmes and activities to maximise benefit and local ownership.
- **Place** – A section on Place was awaiting input from local authorities, at the time of the last LEP Board meeting. This has now been incorporated into the revised draft. We have responded to feedback to make this more prominent – it has been moved to the front of the document with more detail in an appendix. Further reference throughout the document has been made to places, urban centres and culture. Local examples have also been included but more of this is needed. We are awaiting input from LA officers in this regard.
- **Inclusion** – it was not clear what we meant by inclusion and how we will deliver this, especially through our innovation-led growth approach. Revisions have been made to make this clearer. It was explained in face-to-face feedback sessions that the SEP is not the natural home for all inclusion issues and that we are developing an Inclusion Plan, which will pick up wider (non-economic) issues.
- **Urban centres** – lack of recognition of the role of town centres. This has been covered in the Place chapter, especially the role of vibrancy in creating attractive places to live, work, visit, and invest.
- **The role of culture** – Not referenced in the strategy. The importance of culture, and its role in economic growth, has been recognised in the evidence base, but the text was not ready prior to circulation at the previous LEP Board. This has now been laid out in the new Place section.

Other changes made following feedback:

- **Evidence** – This has been moved to an appendix. Whilst the evidence is important, it can be interpreted as negative and thus not in keeping with the positive tone a strategy document needs to strike. It provides a useful context for what is proposed in the document and will be updated over time as we track our progress.
- **Aligning with the Government's agenda** – A careful balance needs to be struck. We have bolstered the language and aligned with priority areas of the current government (e.g. innovation, natural capital, vibrant centres, technical education and the levelling up agenda), where relevant. It is worth noting here that explicit mention can date a document.
- **Summary of headline interventions** – We have started to set out the draft headline interventions we will pursue to deliver the SEP. There is more work needed to finalise this, but feedback confirmed that this summary was needed to crystalise our intentions.
- **International Trade & Investment** – Currently, this is picked up within the document but does not have a dedicated section. However, there is scope to expand this as a separate section, bringing out the core capacity and investment sought by Government.

The draft reflects the changes we have made following comments by LEP Board members. We also have a comments log and have responded to all individual comments provided.

### 2.3 Next steps and timescales

The City Region will be in a stronger position in all our engagements with central Government and other partners once we have an agreed SEP. Completing the SEP development process as soon as possible, will mean we can seize the opportunity we currently have to engage with Government on a range of issues, shape opinions and secure the investment we need. It is important to note here that the SEP will be important in:

- our engagement with Government on the (potential) next round of LGF, Shared Prosperity Fund and the upcoming Comprehensive Spending Review;
- shaping our response to the Devolution White Paper
- developing a Local Industrial Strategy (LIS). Government has now indicated that we should complete our LIS as soon as possible. It is expected that the parameters will be slightly different to other areas that have published to date, but this is another opportunity for the MCA and LEP to shape its relationship with Government and secure commitments to our policy objectives.

The following timetable is proposed:

1. Begin a 4 week consultation soon after the March LEP Board;
2. Present the outcome of the consultation to the May Board meeting
3. Launch the final document in June/July 2020

The SEP is not a statutory document. As a result, the nature of the consultation and its coverage is up to the LEP to determine. Some LEP areas have consulted on an executive summary or a set of slides. The preferred option is for a blended consultation, putting out a summary and providing an option for a fuller document to be made available on request.

## 3. Consideration of alternative approaches

- 3.1 We could have chosen not to produce a SEP or followed a different economic growth model. The document is aligning different views on growth, inclusion and environmental sustainability to engage with each other, with central government and to secure the funding needed to accelerate activities.

## 4. Implications

### 4.1 Financial

The SEP will help to secure additional funding from Government; for example, the UK Shared Prosperity Fund. This means that delaying its completion may hamper our ability to secure the investment we need for the City Region.

The costs associated with the completion of the SEP, including specific commissioned pieces of research, have been accounted for within the existing approved budget.

### 4.2 Legal

There are no legal implications to this paper.

### 4.3 Risk Management

If work is delayed, SCR's and partners ability to secure additional funding from the new Government could be weakened. To manage this, consultants were appointed to help develop sections and mitigate the risk of delay.

### 4.4 Equality, Diversity and Social Inclusion

Inclusion is one of the three policy objectives set out in the SEP. The Board has agreed that SCR will not pursue growth at any cost and that we will work together to ensure that all our people have an opportunity to contribute to and benefit from prosperity.

## 5. Communications

5.1 The document has benefited from the wide engagement we have undertaken. To date universities, businesses, charities, local authority officers and senior executives have been engaged on evidence gathering and messaging. We have also received specialist input into the document from expert professors and from innovation experts from the private sector, as well as substantive input from the local authorities. BEIS and HMCLG have been engaged as well. We intend to continue this engagement and we will work closely with partners in Chesterfield, North East Derbyshire, Bolsover, Bassetlaw and Derbyshire Dales who, though leaving the LEP area, will continue to be a key part of our functional economic area.

5.2 A strategic communications plan for the SEP is in development and will inform the messaging, tactics and communications channels we use to engage with businesses, stakeholders and members of the public. This plan will also set out the communications strategy for the public consultation which is being invited

## 6. Appendices/Annexes

6.1 Annex A - SEP Draft - exempt from publishing under the Local Government Act 1972, Schedule 12A, Part 1, Paragraph 3

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: Strategic Economic Plan Evidence Base – 2019 (Summary Evidence Pack) and other relevant documents available on the website:

<https://sheffieldcityregion.org.uk/explore/resources/>