

Agenda Item 6

Title:	Economic Strategy Refresh
Purpose:	For the LEP Board to review the proposals to commission an Economic Strategy refresh in light of the post-pandemic economic structural changes and to identify new opportunities for growth in supporting the national Levelling Up and Net Zero objectives.
Recommendation(s):	That the LEP Board approve the proposal to undertake a new strategic economic assessment for Buckinghamshire, incorporating the structural changes that have occurred over the past 3 years and to address the opportunities for Buckinghamshire to deliver economic growth in support of the national Levelling Up and Net Zero agendas.
Impact on Risk Register:	One of the primary roles of a LEP is to ensure that the Strategic Framework for Economic Growth is up to date and relevant, the proposals within this report help ensure that we continue to meet those requirements from Government.

1 Introduction

Buckinghamshire LEP were one of seven Local Enterprise Partnerships in England to jointly publish with Government Local Industrial Strategies in 2019. The strategy then focussed on a national brief of identifying the major strengths within the local economy and identifying opportunities to help drive national productivity growth.

Although the trailblazing strategies such as Buckinghamshire's were well received, the Industrial Strategies suffered from a change in national emphasis that coincided with their production. No government funding was allocated to support the strategy action plans, initially as a result of delays to the Comprehensive Spending Review and subsequently by the emergency measures that were needed to address the Covid pandemic. Despite lack of dedicated funding programmes, we should reflect on the difference the LIS has made to Bucks on areas such as our Enterprise Zones and Living Labs.

As a LEP we responded to the changing national landscape and the calls of Government by producing our Economic Recovery Plan in 2020 that identified the actions we would play in helping the local economy to react, respond and recover from the challenges caused by the pandemic. This document built upon the foundations of the Local Industrial Strategy and has helped inform our business and delivery plans over the past 3 years.

As board members heard at the last board meeting in September, there have been significant structural changes to the Buckinghamshire economy over the past 3 years, the way many businesses operate has radically changed, our labour market profile is very different to before and the GVA output of our different sectors has fluctuated significantly.

On a national scale there has been a much greater focus on the national Levelling Up agenda and the need to drive innovation, particularly within new markets for the Green Economy and of course the fiscal tightening in response to the global financial position. Interestingly, in recent government

announcements by the Chancellor and others the term “New Industrial Strategy” has started to re-emerge, indicating that there may be a refocus on these growth opportunities.

Given the changing local and national landscape the LEP Executive believe that the time is right to undertake a strategic review and start to prepare a new Industrial Strategy or Strategic Economic Plan for Buckinghamshire to support the future work and investment programme for the LEP and the Buckinghamshire Place Based Economic Growth Board.

2 Buckinghamshire Local Industrial Strategy the Impact

Despite not receiving additional Government funding, the Local Industrial Strategy has been instrumental in advancing the development of some of our fastest growing economic sectors and in changing perceptions around the drivers for economic change.

The one major capital funding round that has been announced since the launch of the Industrial Strategy has been the Getting Building Fund, and the £7.7m investment secured through that programme was targeted at developing the main assets identified within the Industrial Strategy.

The strategy was founded on 4 main economic assets: -

- High Performance Technologies - around a Silverstone Cluster base
- The Space Technology Cluster in and around Westcott
- Innovation within the Creative Industry Sector with globally leading hubs at Pinewood and the National Film & TV School
- Health and Medical Technologies capitalising on the global reputation of Stoke Mandeville as the Birthplace of the Paralympic Movement

In each of these assets there has been significant development as a result of the Local Industrial Strategy Focus

High Performance Technologies – Silverstone

Advanced development of the Silverstone Enterprise Park, incorporating construction and occupation of 60,000sqm of commercial floorspace helping attract high growth businesses including Lunaz, Saietta, the Digital Manufacturing Centre and 3C Test who are all leading innovation across the Net Zero automotive sector. Over 500 new jobs have already been created supported by targeted investment from the Getting Building Fund in companies such as Lunaz whose workforce has grown from 20-200 in the past 3 years.

The Space Technology Cluster

The Westcott Space Cluster is rapidly being transformed as a critical element of the UK Space Sector and Launch Capability. The opening of the National Space Propulsion Test Centre in 2021 has been critical in providing access for commercial innovation and in propelling Westcott as the UK’s premier space testing location. Supporting investment from this LEP has meant that the innovation and incubation facilities are available to welcome national and international investors, that the wider network of testing infrastructure is being brought back into commercial use and that new testing facilities such as the low orbit test centre and the drone port facilities have attracted international investors such as AVA, URA Thrusters and Skyports with a combined total workforce of over 200 people to the site and enabled existing Westcott Businesses such as Nammo to double their workforce over this period to 80 staff and to occupy new premises at the site. The next phase in development will focus on the skills infrastructure

that is needed to continue the growth of the Campus Development and that will attract further Academic & Commercial research leading to R&D investment.

The Creative Industries and Pinewood

The growth of this sector has continued throughout the period of the pandemic, fuelled by the investment by the streaming giants Netflix, Amazon, Apple in the UK. Much of this investment has been in and around the Buckinghamshire, Pinewood Studios have been successful in securing planning approval for 140,000sqm as part of a development that will create an industry led global training hub and other studio investment is being planned for High Wycombe, Marlow and Aylesbury.

A new Buckinghamshire Film Office has recently been launched to help support film led inward investment and the wider visitor economy and a series of skills events have been hosted including the Pinewood Futures Skills Festival, the largest Creative Sector skills event in Europe, to inspire and attract new talent into the industry.

The National Film and TV School have been leading innovation and training in the use of virtual and augmented reality in the screen industry through the UKRI funded Story Futures programme together with Royal Holloway University and are currently pursuing a new initiative called Co Star also funded by UKRI that will provide wide ranging access to technologies for SME's within the sector much in the same way that the living lab facilities at Westcott and Silverstone have done for the manufacturing and space SME's.

Health and Medical Technologies.

The LEP investment into the Stoke Mandeville Research and Innovation Centre at Stoke Mandeville Hospital has helped the Buckinghamshire Healthcare Trust become the leading Trust in the country for the speed commercial testing development in areas such as Digital Health, Medical Device Development and Diagnostics. It has also enabled the Trust to develop its use of AI in managing initial patient enquiries.

The training demands within this sector have been assisted by the establishment of the Bucks Health and Social Care Academy to which this LEP are members. The academy is now delivering for the additional training and skills needs essential for retaining the workforce in this sector including the first integrated leadership and development programme and closer working with the voluntary sector as part of the Integrated Care Pathway that is being trialled across Buckinghamshire, Oxfordshire and Berkshire.

Further work is needed in this sector in developing accessible wet-lab facilities to advance R&D investment beyond the scope of the Healthcare Trust.

The Local Industrial Strategy also identified 4 drivers for productivity which have focussed our thinking on our recent investment.

- **The skills and inspiration revolution** – this is integral to the Local Skills Plans that we have produced over the past two years and the current work in the development of the Local Skills Improvement Plan. Informing people of all ages within their career choices, ensuring that traditional engagement methods are expanded and delivered within the areas of need and supporting new methods of training such as the T Level Programme.
- **Digital infrastructure & innovation** – Ensuring that our investment in the broadband infrastructure across Buckinghamshire is enhanced through the national Gigabit programme as well as targeted and strategic investment in areas such as the 5G programme for East West Rail.

- **Commercialising innovation and enhanced business support** – Ensuring that the focus of the Growth Hub support programme works more closely with the innovative business base with the potential to grow our frontier economies, whilst not forgetting about the invaluable support for our foundation economy as they.
- **Living labs** – Providing locations within our key economic hubs, to enable businesses to access resources and expertise to support R&D development and to provide the wider environment across Buckinghamshire for that innovation to be tested and developed.

For the recovery plan two additional drivers were added **Vibrant town centres & Green growth**, both of which will be increasingly central to our future strategic direction.

3 Current Trajectory - Delivery Plan for 2023/24

The Local Industrial Strategy and Economic Recovery Plan have been instrumental in supporting the development of our 3-year business plan and annual delivery plans whilst in the short term we will look to continue on this trajectory and will also need to meet the immediate needs of the Buckinghamshire business base it is felt that a wider strategic review will now need to be considered.

To support this process, we are proposing that the following objectives are included within our delivery plan for 2023/24 and would welcome feedback from Board members on any areas of particular focus, or omissions.

- Developing a revised Industrial Strategy v2 to reflect the post-pandemic market conditions and opportunities for new Buckinghamshire Net Zero business growth.
- Undertaking a detailed assessment of the commercial land and property sector in Buckinghamshire
- Developing a strengthened Growth Hub business support package to assist businesses with financial and inflationary pressures
- Developing an Enhanced Growth Hub Innovation Support Offer
- Development of a LEP led International Trade & Investment Plan for Buckinghamshire
- Supporting Closer Collaboration between Academia and the Buckinghamshire Business Base around innovation support.
- Supporting Buckinghamshire Council in the implementation and delivery of Shared Prosperity Fund investment.
- Implementation of Local Skills Improvement Plan – and development of funding bids for the Local Skills Improvement Fund.
- Assisting the Opportunities Bucks programme through targeted delivery of services to the communities with the greatest needs.
- Securing ownership and developing disposal strategy for the Aylesbury Woodlands Site
- Strengthening strategic relationships with the top 50 businesses in Buckinghamshire ranked by size, growth potential and national and international impact.
- Developing national partnership initiatives to support Levelling Up Opportunities
- Continued development of a Buckinghamshire Investment Fund as part of the Bucks Economic Integration Plan.

4 Analysis Already Undertaken & In Progress

The work undertaken in assessing the impact of the Covid pandemic will be an important part of this process and following the advice of this board we have been sharing this analysis with a number of

stakeholder groups including the Bucks Business Group who were keen to ensure that a more detailed demographic assessment was taken into the changing working patterns brought about by the pandemic.

We will also be concluding the Net Zero Audit currently underway which is helping identify and map the size and relative strengths of the Low Carbon economy in Buckinghamshire and demonstrate how we may be able to support the next wave of growth and wider incorporation of sustainability principles across the Buckinghamshire economic base.

The Local Skills Improvement Plan engagement also provides a timely opportunity to engage more deeply with a network of businesses across some of our most important business sectors.

5 Scope and Timetable for new Economic Assessment

The proposed Industrial Strategy 2.0 will be a significant commitment and we believe will need to be developed over a 12-month period from the point of commission. The new strategy will support the closer place based Economic Growth Board programme and future direction of a Buckinghamshire Investment board. It is envisaged that the budget for a commission of this scale will be circa £100k to be met from the LEP operational budget.

We would envisage the strategy to focus on the current challenges and opportunities facing the Buckinghamshire economy, many of which have already been highlighted within this report but including: -

- The Covid pandemic structural changes and
- The cost-of-living impact on Business Investment & Growth
- Net Zero Manufacturing, Infrastructure and Connectivity
- Business Scale Up & Innovation Growth
- Workforce Supply & Skills Development
- Enabling Social Mobility
- International Promotion and Positioning of Buckinghamshire Opportunities
- Development of wider regional Economic Partnerships to support National Levelling Up

The brief would include the development of a new evidence base to underpin the revised strategy supporting “inclusive green growth” and would incorporate the development of a full implementation plan to support and link into a new Buckinghamshire investment fund.

To support the development of this strategy we would propose that the LEP Capital Programme Sub-Group would act as the core of a strategy advisory board, to support and guide the commission.

If the Board are comfortable with these broad proposals, we would propose that further consultation on the scope and purpose of this strategy is considered with our delivery partners from across Buckinghamshire and with government colleagues and that a draft brief is brought back to this board at our January meeting for detailed consideration.

Board members are asked to:

Approve the proposal to undertake a new strategic economic assessment for Buckinghamshire, incorporating the structural changes that have occurred over the past 3 years and to address the opportunities for Buckinghamshire to deliver economic growth in support of the national Levelling Up and Net Zero agendas.