Industrial Strategy

Purpose of report

For information. This is a board item updating members on the publication of the Industrial Strategy White Paper and our headline response from the LGA briefing for member councils.

Summary

On 27 November 2017 the Government published “Industrial Strategy - Building a Britain fit for the future.” This White Paper sets out the Government’s plans to support business and industries, and boost productivity through investment in the skills, industries and infrastructure of the future and follows January’s consultative Green Paper to which this board led the response on behalf of the LGA. The report highlights key developments of relevance to this Board and includes a summary of the LGA’s briefing for member councils. The full LGA briefing is also appended.

Recommendations

That the Environment, Economy, Housing and Transport Board:

1. Notes the publication of the Industrial Strategy White Paper, the LGA’s response and key developments highlighted for this board.
2. Identify any further issues for LGA officers to follow up.

Actions

Officers to progress as directed by the Board.

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Industrial Strategy

Background

1. On 27 November 2017 the Government published “Industrial Strategy - Building a Britain fit for the future.” This White Paper sets out the Government’s plans to support business and industries, and boost productivity through investment in the skills, industries and infrastructure of the future. It does this through focusing on five foundations:
   1. Ideas
   2. People
   3. Infrastructure
   4. business environment
   5. places
2. The White Paper follows the consultative Green Paper which was published in January 2017, to which this board led the response on behalf of the LGA, calling for a place-based approach.
3. Under the above headings, the strategy draws together in one place a range of new and existing policy and related funding. An LGA briefing was produced in the week of the White Paper being published which summarised the main announcements in the industrial strategy of relevance to local government and the LGA’s response, covering contributions across a number of LGA Boards. The full Strategy can be found on the Department for Business, Energy and Industrial Strategy website: <https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future>.

Issues

1. Members may wish to note two areas of development of particular interest to this Board
   1. The creation of a new £1.7 billion Transformational Cities Fund, which is for projects that improve connectivity, reduce congestion and utilise new mobility services and technology. Half of this funding will be allocated through a competition for transport projects in cities, with the remainder allocated to the six combined authorities with elected metro mayors.
   2. There will be a review of Local Enterprise Partnerships, covering roles and responsibilities and will bring forward reforms to leadership, governance, accountability, financial reporting and geographic boundaries.
2. LGA officials will be seeking further clarification on the Transformational Cities Fund, including allocation processes and who will be eligible to bid for funds and assurances on local government’s role in the review of LEPs.
3. Key LGA messages are set out below and the full briefing is appended to this report.

**Key Messages**

* 1. As we embark on leaving the European Union, the Government’s industrial strategy provides a critical opportunity to drive the creation of a successful, world-leading economy. We welcome the strong focus on place as one of the five foundations of productivity and the building block of local industrial strategies. We are committed to working with businesses, Local Enterprise Partnerships (LEPs), and partners to develop ambitious strategies, many of which will need devolved powers and budgets in order to deliver benefits to local communities.
  2. Tackling economic imbalances and driving growth in all areas of the country is not a simple project. It can neither remain a static document nor be driven top-down from Whitehall, but should reflect the geographic and economic diversity of Britain.
  3. If we are to have a successful, modern and globally competitive economy, one which enables everyone to succeed, it is essential that the industrial strategy recognises the strengths and opportunities that each area brings and the vital contribution of local government.
  4. Council leaders are committed to working with business leaders to boost productivity and growth. If we are to play a full part, we quickly need to develop a national regional aid scheme to replace all existing EU regeneration funding and a devolved approach to skills and infrastructure that ensures that every local economy and individual has the potential to prosper.
  5. The new skills initiatives - including the advisory panels and national retraining programme – are an important step in addressing our skills challenges, but they will only work if they are planned and coordinated locally and aligned with other initiatives to target training of the current and future workforce. We urge the Government to work with us and councils on implementing our Work Local proposals so that the whole skills system can be made coherent for local people and more effective for local businesses.
  6. Councils have a unique understanding of their local economies, with ownership over the key levers of local growth, including strategic infrastructure planning, land use planning and strong sub-regional partnerships with business and other public sector leaders. This gives them an important leadership role in developing local industrial strategies. In order to see prosperity across the country all areas need to be able to draw on the right powers and adequate funding to deliver successful and inclusive economies.
  7. The review of LEPs is an important opportunity to secure an even stronger partnership between business and public sector leaders, and the basis for new devolution deals. In order to ensure the right balance of powers, funding and support across Whitehall, it is essential that councils across the country play a full part in the review. LEPs are local partnerships, and growth strategies will rely on the strength and quality of local leadership. They will fail without the involvement of councils.
  8. It is encouraging to see the White Paper state that investment decisions need to be more geographically balanced and include more local voices. There needs to be greater recognition of councils’ wide role in boosting productivity that ranges from civic leadership and plan-making to local infrastructure and public health.

Implications for Wales

1. The Industrial Strategy is UK-wide, however, some elements of industrial and economic policy are devolved matters for the Welsh Assembly.

Financial Implications

1. None.

Next steps

1. Officers to progress as directed by the Board.