

Engaging with Local Industrial Strategies

A Guide for Councillors

Introduction

This short guide aims to support Local Authorities across the South East to engage fully in the creation and delivery of Local Industrial Strategies (LIS). Positive engagement between councils, Local Enterprise Partnerships (LEPs), businesses and other institutions such as universities and colleges will be central to successfully taking forward economic ambitions through LIS locally and over wider areas.

Government is promoting locally-developed LIS as a way to deliver its new national Industrial Strategy framework, launched at the end of November 2017 and aimed at raising productivity and delivering growth nation-wide.

This guide was prepared by Shared Intelligence for South East England Councils in spring 2018, based on a combination of roundtable discussions, interviews, desk-research and a Council Leader / LEP workshop to explore how to progress this agenda (see appendix for methodology).

The rest of this report consists of:

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Background - The National Industrial Strategy Framework

Released on 27 November 2017, the Government's national [Industrial Strategy](#) is a proposed policy framework against which the country can drive long-term productivity and prosperity. It is made up of several components including investment for research and development, opportunities to drive productivity through city connections and bringing forward sector deals to transform investment and productivity.

Commercialisation of ideas and products from business, science and universities is not the UK success story it once was, and the Industrial Strategy intends to address this challenge. The framework itself sets out 'Foundations' and the 'Grand Challenges' of delivering progress in the economy.

Government is encouraging the creation of 'Local' Industrial Strategies (LIS) to deliver growth at a local level. The LIS needs to consider how growth and prosperity can be delivered and how best to support development of a critical mass of businesses in an area, whether they be new start-ups, university spin-outs, new economy and knowledge-intensive sectors or come from more traditional sectors such as manufacturing and business administration.

The national Industrial Strategy identifies priorities to improve skills, increase innovation and enhance infrastructure and business growth through five foundations: ideas; people; infrastructure; business environment; and places. Each of these five foundations has a set of key policies which are intended to take forward successful outcomes for the economy.

Furthermore, within the national strategy, four grand challenges are outlined. These reflect 'world-changing' trends and the Industrial Strategy intends to position the UK at the forefront of the technology needed to drive these trends. These are:

- artificial Intelligence and big data – putting the UK at the forefront of the artificial intelligence and data revolution;
- clean growth – maximising the advantages for UK industry by helping support the global shift to clean growth;

New Government policy as outlined in the national Industrial Strategy

Key policies include:

Ideas

- ▶ Raise total research and development (R&D) investment to 2.4 per cent of GDP by 2027
- ▶ Increase the rate of R&D tax credit to 12 per cent
- ▶ Invest £725m in new Industrial Strategy Challenge Fund programmes to capture the value of innovation

People

- ▶ Establish a technical education system that rivals the best in the world to stand alongside our world-class higher education system
- ▶ Invest an additional £406m in maths, digital and technical education, helping to address the shortage of science, technology, engineering and maths (STEM) skills
- ▶ Create a new National Retraining Scheme that supports people to re-skill, beginning with a £64m investment for digital and construction training

Infrastructure

- ▶ Increase the National Productivity Investment Fund to £31bn, supporting investments in transport, housing and digital infrastructure
- ▶ Support electric vehicles through £400m charging infrastructure investment and an extra £100m to extend the plug-in car grant
- ▶ Boost our digital infrastructure with over £1bn of public investment, including £176m for 5G and £200m for local areas to encourage roll out of full-fibre networks

Business Environment

- ▶ Launch and roll-out Sector Deals – partnerships between government and industry aiming to increase sector productivity. The first Sector Deals are in life sciences, construction, artificial intelligence and the automotive sector
- ▶ Drive over £20bn of investment in innovative and high potential businesses, including through establishing a new £2.5bn Investment Fund, incubated in the British Business Bank
- ▶ Launch a review of the actions that could be most effective in improving the productivity and growth of small and medium-sized businesses, including how to address what has been called the 'long tail' of lower productivity firms

Places

- ▶ Agree Local Industrial Strategies that build on local strengths and deliver on economic opportunities
- ▶ Create a new Transforming Cities fund that will provide £1.7bn for intra-city transport. This will fund projects that drive productivity by improving connections within city regions
- ▶ Provide £42m to pilot a Teacher Development Premium. This will test the impact of a £1000 budget for high-quality professional development for teachers working in areas that have fallen behind

We will ensure our Industrial Strategy will endure by creating an independent Industrial Strategy Council that will assess our progress and make recommendations to the government.



- the future of mobility – being a world leader in shaping the future of mobility; and
- meeting the needs of an ageing society – by harnessing the power of innovation to help meet the needs of an ageing society.

To translate this to the local level, LEPs are identified by government to lead preparation of a more clearly defined set of activities and objectives in early 2018 in a LIS. The LIS should be ‘driven by influential local leaders acting as figure heads for their area’s economic success and a clear strategy for local and national partnership’. Heavy intonation throughout the document places Local Authorities at the core of developing the place narrative underpinning the framework.

What does this mean for the preparation and delivery of a Local Industrial Strategy?

The national Industrial Strategy framework encourages LEPs, working with councils and partners, to develop Local Industrial Strategies¹ (LIS) with the first strategies expected to be agreed by March 2019. LIS are intended to be long-term, evidence based approaches that align to the national Industrial Strategy, considering the needs and ambitions of localities.

LIS will guide the use of local funding streams and any spending from national schemes, identifying local strengths and challenges, future opportunities and action needed to boost productivity. It is clear that there will need to be different policies for different places: for example from addressing housing supply to transport connections, from energy development to skills shortages. While existing Strategic Economic Plans (SEPs) developed by LEPs support them and their partners to progress towards growth, the LIS are intended to build on these priorities to give a greater level of granular detail while also considering a wider set of ways to deliver sustainable growth and prosperity.

Government says the creation and delivery of the LIS is to be led by the LEP or Mayoral Combined Authority where they exist. They will require strong public and private leadership with input from councils, universities, colleges and other local institutions relevant to the place.

For councils in the South East, LIS present the opportunity to help progress the delivery of jobs, housing, skills, infrastructure, and create a holistic sustainable place-based strategy to enhance productivity and improve prosperity. This could mean harnessing innovation potential, delivering further educational attainment, and developing sectoral specialisms.

LEPs are gearing up to deliver against this agenda but cannot do so without Local Authority collaboration and leadership. This must come from a detailed understanding of the local 'place', including the business base and the specialisms which will set an area aside from other parts of the country. While LEPs can bring business intelligence with experienced chairs and senior executives to the table, they have also developed mutually beneficial relationships with further education (FE), higher education (HE) and government and have started to share good practice such as economic dashboards to measure productivity. Senior local councillors are also key members of LEP boards. Partnership work between councils and LEPs to lobby and develop evidence-based policies and priorities is essential.

Whilst seeing the 'big strategic picture' is important for LEPs, it is also important that LEPs – through council perspectives – take account of the diversity of their areas in strategy and investment priorities. All councils need to take steps to ensure they have fair opportunities to inform LEP decisions and priorities.

Finally, the LIS provides an opportunity for Councillors to work collectively with their LEPs to develop a 'brand' for the South East area as a whole. Wider geographies, combined authorities, and strategic

¹ Industrial Strategy: building a Britain fit for the future. P.220



alliances are becoming increasingly important in government thinking and South East councils have an opportunity to work together to counter-balance the success of the Midland Engine and Northern Powerhouse brands. This could be achieved across the SEEC area for example, informed by the LIS development process, by identifying common themes that strengthen a SEEC-area identity. By working through SEEC with multiple LEP partners, this collective brand could become a marketable identity on an international scale.

To combat the lack of mayoral combined authorities in the South East, having a vehicle and voice for championing sustainable growth potential and issues across the South East - through wider alignment of local views within a larger geography - will be beneficial. SEEC has a role to play in pursuing this. SEEC member discussions put forward possible brands such as: "Southern Hothouse", "South East Dynamo" and "Britain's International Gateway." Such an identity or brand would help to legitimise investment in the South East and establish its place as an international gateway and economic engine-room for UK plc.

Economic position in the South East – the big picture

Whilst as a whole the South East has a history of strong economic performance, there are macro factors which could put the South East at risk of a further slowdown in productivity. A shifting economy that is changing the mix of economic activity and delivering lower growth in sectors such as telecommunications, manufacturing and finance account for much of the UK's productivity slowdown. This is impacting economic output, while external factors such as opportunities and threats relating to Brexit and a lack of investment in infrastructure and skills could further contribute. The national Industrial Strategy is therefore important to boost and encourage established and emerging industries in the UK and the South East. A key part of this will be satisfying infrastructure demands. Factors to consider in South East LIS include:

Developing sectors - addressing particular sectoral challenges is a priority for the national Industrial Strategy and LIS. For example, across the South East there has been widespread employment and business growth in professional, scientific and technical industries. However these industries are not yet as concentrated as the national average, as in other parts of the country, there is a higher prevalence of these sectors. As an industry classification which generally requires a high degree of education and training and specialised knowledge, and delivers higher levels of productivity in its sub-sectors, it would benefit from further investment across the South East to improve local and national productivity.

Developing the economy – at £257 billion in 2016, the South East has the second highest economic output (GVA) in England (and output per person), and South East total GVA is greater than the combined total GVA of all eight core English cities. While there is a year-on-year positive growth in GVA per-person productivity (as an average across the South East), growth is slowing and therefore needs to be addressed to halt any potential decline, particularly as this will impact overall contributions to Treasury – thereby reducing Government's ability to invest nation-wide. Investment in the South East's economy, and regional and local infrastructure to close the £15.4bn expected infrastructure gap² is essential. With almost 1m³ people living in income deprivation and an ageing population with increasing demands, particular attention must be paid to tackling the challenges of those South East areas with higher levels of deprivation and unemployment alongside ensuring successful areas continue to thrive.

Addressing Brexit and longer-term implications – consideration of Brexit continues to be a central topic for Local Authorities and Local Enterprise Partnerships alike. Given that the European Union (EU) is the largest constituent importer of all South East industries aside from manufacturing⁴, leaving the EU will have major implications for South East England's economy. The economic contribution of the South East to economic output (at £257bn, the UK's second highest after London

^{2&3} <http://www.secouncils.gov.uk/wp-content/uploads/2012/04/SEEC-Dashboard-SUMMARY-2-SIDES-WINTER2017-18.pdf>

⁴ Office for National Statistics International Trade in Services, Released 2017.

in 2016), and overall tax contribution to Treasury, (contributing a net £154bn between 2000/01 and 2015/16, which supports investment for growth in the rest of the country), mean it is essential that any potential skills and labour shortages are mitigated. For example, the prominence of particular sectors in the South East, such as construction and tourism, which are at greatest labour shortage risk post-Brexit, may undermine growth if not addressed correctly.

Investing in domestic skills – there exists a significant demand for high and low skilled EU migrant workers in the South East economy, which cannot currently be substituted with indigenous labour. The public sector is at particular risk. 34% of foreign born workers in public administration, education and health are EU nationals. Largescale reduction in these workers due to Brexit would have huge ramifications for the public service and health provision across the South East, particularly given the area’s high and rising elderly population.

Investment for growth – there is a further risk that the South East will lose ground with international competitors as some investors are concerned South East infrastructure constraints could limit growth and productivity potential, and therefore returns on investment. Further to this, whilst EU funding streams are in place until 2020, the LIS must consider how to address replacement domestic funds for local growth. Will the emerging UK Shared Prosperity Fund provide a sustainable alternative to the European Investment Bank, and programmes such as Horizon 2020 (to secure global competitiveness) and Interreg (promoting knowledge and best practice)?

Considerations for councils when working with LEPs on Local Industrial Strategies

There are a number of themes which councils may find helpful when considering how to take the most of the national Industrial Strategy and the opportunity to develop Local Industrial Strategies (LIS) through working with their LEPs. These have been divided into two parts. The first looks at overarching principles, relationships and accountability to ensure the successful creation of a LIS; and the second considers the role councils and Councillors have in delivering growth and productivity through place-shaping which will impact on the overall focus and delivery of a LIS.

A. Overarching principles, relationships and accountability

This chapter sets out a checklist of activity to support best practice and ways to ensure effective development of LIS.

Key considerations on the relationship between councils and LEPs

1. Good personal relations are critically important and must be constantly worked at.
2. In particular, there must be regular communication and an open and honest relationship between the business and political leadership.
3. There must be sound and well-tested governance arrangements between the LEP and the councils in its area.
4. There should be a culture of close and early collaboration between the LEP, the council and other stakeholders on strategy and policy development and prioritisation – including, for example, informal workshops.
5. There should be a shared objective of getting the most out of the creative tension between LEPs' business-led aspirations and councils' understanding of political reality and wider local growth issues.

The contribution of councillors

i) Setting LIS direction and priorities

Councillors can contribute to LEP boards in a variety of ways in addition to bringing local accountability to processes. They bring a unique understanding of the political process, to complement other LEP members' commercial and business expertise, and know the wide range of issues affecting their communities and businesses – whether at a District, County or Unitary level. They also have good links with local MPs, which can help forge relationships with Government given the South East is home to the constituencies of a large number of Ministers. Councillors could consider:

- how they can influence the success of a LIS (creation and delivery) given their political relationships, including with local MPs, to engender wider support and facilitate a greater understanding of local priorities and challenges;
- drawing on any of their own experiences not only as political leaders but also as business leaders, and how they can contribute to the overall understanding of what businesses need to grow;
- emphasise the importance of clear and consistent messages to government from business, councils and other partners about growth priorities and challenges – also recognising that major businesses often have their own routes into government; and
- their role in creating a forum to maximise strengths and experiences by bringing public, private and voluntary partners together to collaborate on the shared aim of attracting the investment needed to grow the local and South East economy.

ii) Role and operation of LEPs

Councils have a role to play in ensuring LEPs are agile and able to respond to local needs and circumstances. High standards of governance, transparency and accountability must be maintained, but there should not be national prescription on approach or structure.

Councillors could consider:

- how they can support strategic decision-making within their own local authority, and as part of their contribution to wider partnerships such as LEPs and Strategic Partnership Boards, to help progress shared priorities to drive investment and productivity;
- representing common agendas at a senior level across the council and engaging with business leaders through on-going conversations to deliver complementary messages; and
- capacity building in LEPs to ensure they have clear lines of accountability, transparency and strong decision-making policies without overt bureaucracy.

iii) Links to other partners

In creating a LIS, Local Authority leaders must ensure partnerships, such as those referenced above, are fit-for-purpose and understand how their strategic stakeholders can contribute to growth and prosperity. The national Industrial Strategy refers to ‘a partnership with businesses, workers, universities and colleges, local government and the devolved administrations where we work together to achieve our goals’. This combined effort can be made stronger with Local Authority leadership and actions to drive partnership working forward.

Working with other wider groups, such as SEEC and the emerging Sub-National Transport Bodies (STBs), can also help address strategic challenges that are bigger than individual LIS areas e.g. infrastructure investment for globally significant international transport gateways.

Councillors could consider:

- facilitating conversations that can draw out priorities and challenges from public, private and voluntary sector partners in housing and infrastructure, economic development,

environment, community services, health, care and education to ensure a single message surrounding sustainable growth can start to gain traction;

- how they represent business views when working with partnerships which do not involve LEPS;
- any future economic growth opportunities that cross borough and district boundaries, and how to ensure alignment of priorities between LIS and other business growth initiatives eg. the network of Enterprise Zones;
- how other relevant wider partnerships e.g. SEEC, STBs etc. can play an important role in helping to promote shared LIS/economic growth priorities; and
- the opportunity of sector deals to support business growth and productivity, working across LEP boundaries.

B. Place-shaping

Place-shaping will play a considerable role in ensuring the development and delivery of a LIS is successful. The Local Authority role in setting the overall planning framework and the LEP's and councils' contribution to the delivery of growth will be strengthened through a coordinated effort.

Key considerations when considering place-shaping

6. An open data sharing policy between all stakeholders to deliver the most up to date information on opportunities and challenges to support the creation and delivery of the LIS.
7. Working with the LEP and wider partners to ensure a constant pipeline of new and innovative projects to support productivity and bring more prosperity to the area.
8. Agree criteria for prioritising infrastructure projects to underpin the pipeline for investment that will deliver growth, as well as securing sector deals playing on an area's strength.
9. Understanding the varying local skills requirements for economic success, reflecting the indigenous business base and emerging growth sectors.

The contribution of councillors

i) A robust local evidence base

LIS give councils, working with LEPs, an opportunity to formally champion views to government, businesses and investors and build a shared evidence base on what works for each area's sustainable economic growth. It also provides an opportunity to highlight how South East local economies are integral to delivering growth for other areas and for UK plc. For example, the port at Southampton has the highest import / export volume of automotive parts in the UK with 1 million cars going through each year. This part of the supply chain, delivering car parts to the Midlands, highlights the importance of transport links to the South East's ports to support the wider automotive industry and therefore the UK economy.

Qualitative and quantitative data should be used to highlight the diversity of sectors and skills availability and need across the South East as well as supporting transport and planning decisions. This approach will need to highlight the contribution the South East makes to the UK economy, but also the compelling narrative required for each local strategy. LIS will give areas the opportunity to highlight challenges and make the case for solutions and investment.

Councillors could consider:

- how to establish data sharing protocols to enable the delivery of up to date data to inform decision-making;
- how the pipeline of projects can contribute to an overall portfolio of programmes to generate sustainable growth;
- ensuring consistency with Local Plans, planning policy and infrastructure plans that support the content of the emerging LIS and vice versa; and
- cross-boundary issues as part of the overall LIS development to align key opportunities, and identify those shared issues which SEEC might be able to help jointly promote to Government.

ii) Local diversity and economic challenges/potential

LIS could have an important role to play in highlighting the strength in diversity of employers and employees, as well as sector specialisms of the South East and the different opportunities and challenges facing different areas. They could also draw out contrasts with other wider areas e.g. highlighting the importance of both South East and London economies, but London's significantly higher levels of investment. The LIS will need to ensure that a holistic view of all business needs is taken into account, considering volume as well as value sectors which all have a contribution to sustaining the whole economy.

Councils can bring deep understanding of their communities, employment base and area strengths and therefore have an opportunity to maximise the area's potential. Sector strengths, emerging clusters or industry specialisms all need to be identified. There are also important pegs in the national Industrial Strategy for a more local focus, including high opportunity areas and towns facing particular challenges. The ability to integrate activity in a LIS with a supportive local policy framework to deliver long-term successes will deliver change that is needed to drive investment in, for example, housing delivery. LIS could also be used to remind Ministers of the high returns on investment that can be secured through projects in the South East, as well as the need to tackle long-standing pockets of deprivation/untapped economic potential in some areas.

Councillors could consider:

- ensuring the LEP's approach aligns with plans to support inclusive growth and local communities, both in deprived areas and those which are performing more strongly;
- councils' own social value policies and significant buying power which have the ability to target expenditure to local businesses, delivering value locally;
- highlighting long-term ambition to deliver the 'place' vision to generate a higher quality of life locally; and

- clarity on geographical investment to ensure LEPs take account of the needs of all parts of their geography e.g. rural areas as well as urban areas.

iii) Sector priorities and deals

Sector deals have the potential to look across geographical boundaries and enable joint working by LEPs and councils. Businesses do not operate on administrative boundaries and can cluster in disparate places, drawn together by current or historic factors e.g. university expertise, transport links etc. By exploring horizontal and vertical supply chains, sector deals could bring opportunities to remove barriers to growth e.g. investment in better road and rail transport or linking facilities for research and development across linked sectors. Sector deals can help to make the case for investment in the South East to enable those businesses to grow.

There is also a need to highlight the degree to which some sectors in the South East, and the knowledge created there, add to industry and improve productivity in other areas of the country. Sector deals will help to highlight the supply-chain links, lines of influence, and spill over effects from knowledge generated in the South East.

Councillors could consider:

- ensuring the LEP has fully represented volume sectors and high value sectors as well as emerging growth sectors and the relevant skills requirements that will transpire as a result of growth in these sectors and occupations;
- engaging with businesses to jointly lobby government to create sector deals; and
- ensuring neighbouring LEPs across the South East with similar sector scale and growth potential are considered as part of broader plans to develop sector deals.

iv) Skills

Improving skills to underpin economic growth is a key area where councils could have an important contribution to make if given more levers by Government. SEEC representations to government have included calls for a 'single funding pot for skills and employment investment – controlled by councils to tailor spending to meet the needs of local businesses' as well as 'a central role for local authorities in careers advice'. Skills will be a key feature in LIS, necessitating action in this area.

Councillors could consider:

- how to ensure LIS/skills priorities maintain a focus on vocational education as well as academic achievement – understanding that both routes are relevant for different people and businesses – and ensuring the right mix for their areas;
- how a place dimension can be demonstrated through the LIS, highlighting local skills requirements for businesses, particularly in the light of Brexit;
- how councils can contribute to the priority of providing significantly improved careers information, advice and guidance, which can help encourage and inform young people about the range of business-focused opportunities in their area; and
- leading by example with regards to apprenticeship opportunities and encouraging others to take on apprentices at varying levels and in a range of sectors.

v) Infrastructure prioritisation

It is important to have a pipeline or portfolio of infrastructure projects to support local growth plans. Councillors can influence this via LEP boards and encourage the Board to navigate a system of prioritisation, supporting projects which deliver the best return for the area, considering land-use, planning frameworks but constructively testing assumptions. Councils themselves must recognise the need to generate an on-going pipeline of schemes, addressing their own place-shaping needs.

Councillors could consider:

- ensuring the LIS, and associated LEP work, means their area is ready to respond to calls for new infrastructure projects to take advantage of new funding streams to improve infrastructure;
- how the LEP/LIS best addresses the need for a clear prioritisation process for new schemes and investment from government or private sector investment; and also minimises the risk of unsuccessful bidding efforts/abortive schemes which reduce business confidence and waste time and money in development;
- the LIS/LEP approach to targeting overseas opportunities for foreign investment and the importance of the council's role to encourage investment; and
- how they can use joint influencing ability with the LEP to secure investment in international gateways, also at a South East-wide/SEEC level.

Appendix 1 – Lessons from existing good practice in council-LEP collaboration

Three geographies were selected for the creation of cases studies to understand how councils work with their LEP / LEPs to deliver against local growth priorities. The framework for the discussion is outlined in Appendix 2 and a summary of the discussion is outlined below.

Bracknell Forest

There are sound governance arrangements in place for the delivery of the current priorities of Bracknell Forest Council as part of its wider partnership with the Thames Valley Berkshire LEP. Councils in the LEP area are represented collectively by one leader and one chief executive on the LEP Board. Each council has its own representation on the wider LEP Forum. There is an annual joint meeting between the Forum and the Board. There are other formal joint arrangements including a local transport body. There is high quality business representation on the LEP board.

There is a need for some consistency and continuity. The really important issues for the area are:

- Brexit: high concentration of foreign owned businesses;
- Heathrow (with most of the councils in the area explicitly favouring expansion).

Success of the relationship itself is attributed to:

- good personal relations which are constantly worked at;
- a sound and well-tested governance structure between the councils and the LEP;
- good “custom and practice” in relation to collaboration between the LEP and councils on strategy and policy development and prioritisation;
- imaginative use of the LEP role in, for example, housing discussions where the LEP CEO chairs the Duty to Cooperate meetings in one of their Strategic Housing Market Areas;
- an on-going process for reviewing the Strategic Economic Plan (SEP) through which the move to a LIS would be accommodated.

The key lessons for other places are:

- agree a mechanism for establishing and reviewing priorities with input from all key stakeholders at an early stage;
- establish effective links between the LEP(s) and others across whatever the geography is to ensure maximum benefit from the LEP business perspective;
- work to get the most out of the LEP’s aspirations and the councils’ understanding of political reality.

Surrey

Surrey County Council has relationships with both Enterprise M3 and Coast to Capital as each LEP covers part of the county area.

The Local Industrial Strategy is the opportunity to deliver growth through 5 drivers where 'Place' is considered the local dimension and the other drivers are considered national and / or local priority.

- The LIS will be the area's ask of government.
- The LIS needs to pick up housing and planning agendas and give greater definition to strategic / higher-level planning.
- The LIS is the opportunity to better join up growth opportunities such as Cross Rail 2, and growth in housing numbers and supply chain development, but with flexible capital and revenue fund access.
- The catalyst for cross boundary working has been accelerated by strategy development such as the new Energy Strategy as set out by BEIS at a LEP (or multiple LEP) level.

Issues considered important to Surrey and its LEP partners:

- Risk of automation with the advancement of digital technology beginning to fulfil certain jobs and scale of employment needed in low skilled sectors such as Health and Social Care.
- Brexit and the International context – if major employers in the region leave or planned investment doesn't take place.
- Engaging with a large SME base of local businesses to ensure input and buy-in.

The key lessons for other places are:

- Ensuring ongoing and regular strategic and operational discussions on a regular basis.
- Approaching combined agendas on a geography that makes sense for the subject, not necessarily the structures in place.
- Determining individual stakeholder priorities and demonstrating strong leadership to progress these priorities.

Tonbridge and Malling

Tonbridge and Malling Borough Council have a direct relationship with Kent and Medway Economic Partnership (KMEP) which features as one of four federated areas of the large South East Local Enterprise Partnership (SELEP).

This case study focuses on a particular piece of investment which was a £2.65m regeneration project funded through the Local Growth Fund. Tonbridge High Street underwent a range of improvements including pavement widening, new road surfaces and infrastructure developments between Vale Road Roundabout and Big Bridge.

Success of the project itself is attributed to:

- Regular communication and an open and honest relationship between the businesses and political leadership.
- A clear, focused and agreed set of investment priorities at the KMEP board level.
- A mature relationship with SELEP which has enabled success through the Local Growth Deal fund.

For future relationships to succeed against a backdrop of a Local Industrial Strategy:

- Greater recognition could be made of the role local authorities play in delivering economic development and the implementation of regeneration projects; and for the LEP's role in securing funding with government.
- Funding criteria should be defined up front or left flexible – rather than flexible at the start but with criteria overlaid at the last minute.
- There needs to be more input from large employers in the area to highlight their challenges for growth and productivity.
- Strategic projects such as the Lower Thames Crossing and the opportunities that it will bring must sit central to emerging plans.

Appendix 2 – The methodology

There were three parts to creating this guide.

The first was to identify three case study areas and hold roundtable discussions and interviews in these areas to understand individual authorities' relationship with their Local Enterprise Partnership and their ideas relating to emerging Local Industrial Strategies. Three areas of Bracknell Forest unitary Council, Surrey County Council and Tonbridge and Malling Borough Council debated key questions to understand what a shift towards a Local Industrial Strategy means and how this can be underpinned by political influencers and other stakeholders (particularly business). These questions included:

- What should the approach to the preparation of a Local Industrial Strategy be and what are the opportunities and implications?
- What should the approach to the delivery of a Local Industrial Strategy be and what are the opportunities and implications?
- How can the combined impact of business and political leadership be achieved?
- How will this new structure operate with existing partnerships and emerging partnerships e.g. Sub-National Transport Bodies?

The second part involved a SEEC workshop with Local Authority Leaders and Cabinet members across the South East as well as a number of Local Enterprise Partnerships, to discuss a set of questions that:

- explored how to maximise the value of co-operation between LEPs and councils through the preparation and delivery of Local Industrial Strategies;
- considered the difference between LIS and Strategic Economic Plans (which LEPs are currently charged with producing for Government);
- debated the roles and responsibilities relating to information and data gathering and sharing, for example to gain a greater role for places where sector strengths exist in sector deals and monitoring performance;
- looked at cross boundary collaboration, for example where there are shared themes, sectors or challenges; and
- looked at the unique role councils can play, and how to maximise benefits of the LEP role and business perspective.

The final element was the production of this report to bring together key themes from roundtables, interviews and workshops to develop guidance and recommendations on how to get the most out of these relationships.