

Strategic Partnership – Local Industrial Strategy

Cabinet

Date: 4th September 2019

Author:	Leader of the Council/ Cabinet Member for Economy and Place Head of Strategic Growth
Wards:	All
Parishes Affected:	All

1. Purpose and Reasons

- 1.1 This report sets out key elements of Swindon Borough Council's recent engagement with key strategic partners, Swindon & Wiltshire Local Enterprise Partnership (SWLEP) and the Great Western Powerhouse. Swindon is in a location of great strategic importance, well positioned to drive economic prosperity for the region and its people by working successfully with partners both to the east and west of our borders.
- 1.2 SWLEP is currently working with the government department for Business, Energy and the Industrial Strategy (BEIS) to produce a Local Industrial Strategy (SWLIS) for Swindon and Wiltshire with the objectives of boosting productivity and earning power, as set out in the body of the report. The document is at the drafting stage but has been prioritised by government, therefore Cabinet are asked at this point to consider the main recommendations and content as relates to Swindon's priorities, economy and people.
- 1.3 Swindon Borough Council has been invited to join discussions with six other authorities in England and Wales to discuss a strategic partnership, provisionally named the Great Western Powerhouse. The report sets out the background and next steps ahead of any further agreements with the group.
- 1.4 This engagement and strategy development has potential to impact upon all of the Council's priorities but particularly Priorities One and Two: "Improve infrastructure and housing to support a growing, low carbon economy" and "Offer education opportunities that lead to the right skills and the right jobs in the right places".

2. Recommendations

Cabinet is recommended to:

- 2.1 Endorse the principles and high-level content of the Local Industrial Strategy and make any further recommendations to ensure that Swindon's priorities are reflected in the document.
- 2.2 Invite the Leader of the Council, as a Director of the Swindon and Wiltshire Local Enterprise Partnership Board, to convey Cabinet's desire that the Local Industrial Strategy be adopted in accordance with recommendation 2.1.

Further information on the subject of this report can be obtained from Philippa Venables, 07824 550469, pvenables@swindon.gov.uk.

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3. Detail

Local Industrial Strategy

Background

- 3.1 In November 2017 the government department for Business, Energy and the Industrial Strategy (BEIS) produced its White Paper entitled “Industrial Strategy: Building a Britain for the Future”, which focused on helping businesses to create “better, higher-paying jobs with investment in the skills, industries and infrastructure of the future”. The objective of the Local Industrial Strategy is to boost productivity and earning power across the in Swindon and Wiltshire by focusing on five “Foundations of Productivity”: Ideas, People, Infrastructure, Business Environment and Places – also to ensure that all communities contribute to and benefit from economic prosperity.
- 3.2 In the White Paper, Government stated the requirement that each Local Enterprise Partnership (LEP) should produce a Local Industrial Strategy (LIS) for its region. The strategies would be authored by LEPs in consultation with BEIS. Both Swindon and Wiltshire Councils would participate in the process and propose content, which would reflect local priorities and economic focus.
- 3.3 Also in November 2017 government announced eight “trailblazer” LEPs which would publish their LIS in 2019: Greater Manchester, West Midlands (Greater Birmingham and Solihull, Coventry and Warwickshire, Black Country LEPs) and Cambridge-Milton Keynes-Oxford Corridor (Oxfordshire, Cambridgeshire & Peterborough, Buckinghamshire Thames Valley and South East Midlands LEPs). These strategies are now complete and published.
- 3.4 In 2018 Swindon and Wiltshire Local Enterprise Partnership (SWLEP) convened a SWLIS Working Group and held several consultation events with business to inform the group’s early thinking. The outputs from these events, in addition to a set of LEP-wide strategies (Local Economic Assessment, Higher Education Strategy, Digital Capabilities Strategy, Energy Strategy, Rail Strategy and Cyber Strategy) which have been completed over the last 18 months, formed the evidence base for the SWLIS.
- 3.5 Publication of the SWLIS was originally planned for 2020; however, due to the impact of events in Salisbury and Amesbury and the focus on economic resilience due to the decision for Swindon’s Honda plant, BEIS has asked that the SWLIS be “fast tracked” and that publication should be brought forward to October 2019. In order to support these ambitious timelines, the SWLEP Board has delegated the authority for developing and amending the draft to the LEP Chair and Director.

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Structure and Content

- 3.6 The structure of the LIS is largely prescribed by government and requires a set of Strategic Opportunities, followed by chapters on each of the Foundations of Productivity, which will contain narrative on the economic and sector strengths of the area.

Strategic Opportunities

- 3.7 Business-led Cyber Capital, with the following objectives:
- 3.7.1 Centre of excellence to incorporate innovative ideas and technologies such as artificial intelligence, machine learning and data science in order to allow greater, more effective cyber defence;
 - 3.7.2 Benefiting from a series of natural strengths and opportunities including talent, resilience and connectivity and providing exciting employment opportunities ;
 - 3.7.3 Supporting the government in delivering the UK's Cyber Strategy by meeting the needs of business, currently perceived by the National Audit Office to be a weakness of the implementation of the strategy;
 - 3.7.4 Providing a focal point for academic institutions in the wider area to design, develop and deliver the complete spectrum of cyber courses that meet the needs of industry and society;
 - 3.7.5 Helping to boost productivity across the Swindon and Wiltshire area by growing this higher-output sector as well as supporting the local and national business community to develop cyber resilience; and
 - 3.7.6 Building cyber resilience amongst Small and Medium-sized Enterprises (SMEs) across the UK.
- 3.8 Business-led, multi campus federation of higher education provision:
- 3.8.1 To develop a wide-reaching, targeted provision that broadens access to Higher Education with clear pathways to employment in order to reduce skill shortages, particularly at higher levels.
 - 3.8.2 To establish a business-led, multi-campus federation of higher education provision operating under an umbrella brand with the new Institute of Technology (IoT) in Swindon embedded at the heart of provision as an easily recognisable Swindon and Wiltshire higher education offer. The IoT model of businesses at the heart of leadership and governance fits the SWLEP's demand-led approach to skills provision.
- 3.9 Economic Resilience
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- 3.9.1 The focus is on diversifying the economy to increase resilience by leveraging sectoral and local strengths, including: Life sciences around Porton, advanced manufacturing around Swindon and reducing dependence on single large employers. The diversification will embrace new technologies merging manufacturing and digital expertise (commonly called Industry 4.0) and emphasise the growth of medium size enterprises.
- 3.9.2 The specific Swindon focus includes the development of Swindon as an advanced engineering, digi-tech and R&D centre of excellence and attract new high value activities into the area building on the reputation, skills, expertise and the legacy which Honda leaves behind. We will work with public sector partners, government and the private sector to:
- 3.9.3 Explore transformational programmes in infrastructure and place making to improve movement and the visitor experience through the whole town making Swindon a more accessible and enjoyable place to be, attracting visitors, new residents and new levels of investment and promote Kimmerfields as the flagship site for development.
- 3.9.4 Develop a Cultural Quarter which will comprise a significant area of the town and house Swindon's world class art collection. It will provide a diverse and vibrant cultural offer, creating spaces which showcase the existing offer and provide an environment in which new cultural attractions can be developed.
- 3.9.5 Explore the creation of the Railway Corridor which will provide a landmark gateway to Swindon by developing the Rail Station and its environs, opening up the route to the North Star Site, bringing new leisure and retail opportunities and easing movement between the north and south of the railway.
- 3.9.6 Support the delivery of urban extensions and Swindon's Growth at the New Eastern Villages; Wichelstowe and Tadpole Garden Village to deliver good growth for Swindon, creating attractive places where people want to settle and continuing the growth for Swindon and looking to build excellent, sustainable communities.

Foundations of Productivity

- 3.10 The narrative in the Productivity chapters sets out the Five Foundations of Productivity with the aspiring characteristics of the region and the UK, namely:
 - 3.10.1 Ideas – the world's most innovative economy
 - 3.10.2 People – good jobs and greater earning power for all
 - 3.10.3 Infrastructure – a major upgrade to the UK's infrastructure

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- 3.10.4 Business environment – the best places to start and grow a business
 - 3.10.5 Places – prosperous communities across the UK
 - 3.11 The narrative picks up on Swindon’s priorities for economic growth and resilience, including:
 - 3.11.1 Industry 4.0 technologies and digital applications – using data and connective processes to create “smart industry” which are increasingly significant to improving productivity through the adoption of automation and other efficiencies. These are key components to improving local manufacturing productivity and growth.
 - 3.11.2 Increasing the number of people taking up apprenticeships; businesses employing an apprentice and increase the number of higher and degree level apprenticeships.
 - 3.11.3 Raising the aspirations of young people and local workers who have not engaged in higher education and address the status of Swindon as a particular higher education cold spot working alongside our Further Education Colleges and private sector training providers and the new Institute of Technology in Swindon.
 - 3.11.4 Working to address our skills gaps working alongside our business community resulting in resilient and inclusive growth, innovation and productivity improvements as well as to mitigate the impact of EU exit on skills and labour availability.
 - 3.11.5 Recognising the A420 as a key route connecting Swindon with Oxfordshire in terms of supporting business and commuter flows and linking the area with the Cambridge-Milton Keynes-Oxford arc.
 - 3.11.6 Increasing employment in R&D and higher value activities through securing foreign direct investment in high value manufacturing and advanced engineering, life sciences, cyber and digital technologies.
 - 3.11.7 Increasing business start-up and scale up support resulting in employment and productivity growth across a wider range of sectors and communities through the delivery of scale-up support services for SMEs.
 - 3.11.8 Regenerating city and town centres, improving the visitor, high street and cultural offer and strengthen resilience to economic fluctuations. Realising the transformational plans for the development of Swindon town centre as an integrated settlement including its Smart City capabilities, cultural offer and developing its R&D and advanced manufacturing capabilities.
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Next Steps

- 3.12 The current draft is with government departments and a final draft will be created from departmental feedback and further comments from each local authority.
- 3.13 SWLEP Board will agree the draft on 26th September 2019 aligning with government sign-off; publication will be early October 2019.

Great Western Powerhouse

Background

- 3.14 The Leader of the Council and Cabinet Members are following a pragmatic approach to investigate all possible regional, sub-regional and cross-regional alliances that might assist the Council in delivering its Vision, Priorities and Pledges. In May 2019, Swindon Borough Council accepted an invitation to join the discussion regarding the creation of a group of councils in western England and Wales, provisionally titled the Great Western Powerhouse (GWP). The core group consists of the local authorities of Swindon, Gloucester, Bath and North East Somerset, Bristol, Newport, Cardiff and Swansea.
- 3.15 The purpose of the group is to create a single voice to government focused on the M4/M5 axis. It has developed a high-level plan to build on the existing devolution deals agreed by the West of England, Cardiff Capital Region and Swansea Bay Region and to become the next large strategic grouping after the Northern Powerhouse and Midlands Engine. Members of the group all continue to have their own Local Plan, Local Transport Plan, LEP and LIS – the purpose is to realise the benefits of scale when making the case to government in support of growth. Other local authorities and LEPs in the region will be invited to join in addition to the core group of seven cities.

Positioning and other alliances

- 3.16 Swindon is already a member of England's Economic Heartland, (Cabinet Minute 91, 2017/18 refers) a grouping to the east which is centred on the Oxford-Milton Keynes-Cambridge arc. This group contains a Strategic Transport Forum which, like Transport for the North, Midlands Connect and Transport South East, will form a statutory Subnational Transport Body (STB). The Forum, being statutory and centred on a Transport Strategy endorsed by the Department for Transport, will be a different entity to the Great Western Powerhouse (a non-statutory strategic grouping with other economic growth objectives) and it has been made clear to each group that Swindon has interests in both areas.

Objectives and priorities for GWP

- 3.17 In July 2019 the GWP released "A Powerhouse for the West" which sets out the key areas of collaboration, requests to government and the actions required to further develop the brand and implementation.

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3.18 Great Western Powerhouse Industrial Strategy:

3.18.1 Linking together the sector strengths identified in local industrial strategies in England, and those identified in the Welsh Government's strategy 'Prosperity for All', with funding to develop this announced in the Spending Review. This would build better linkages across its areas of sectoral strength in order to deepen specialisms, strengthen supply chains and further accelerate innovation.

3.19 Integrated plan for road and rail improvements:

3.19.1 To be delivered by National Infrastructure Commission– for faster, more frequent connectivity, both east-west and north-south. Further proposal for Spending Review. This would Improve transport connectivity, unblocking bottlenecks across the M4 and M5, spreading the benefits of the removal of tolls from the Severn Bridge, and increase the speed and frequency of trains between the major hubs.

3.20 Internationalisation Strategy:

3.20.1 Develop a coordinated approach to promote trade and investment for key industrial and economic strengths, with GWP leading its own trade missions to global markets;

3.20.2 Work with the Department of International Trade (DIT) to develop a joint plan for promoting the region at MIPIM;

3.20.3 Gain agreement for dedicated DIT resources to develop the internationalisation plan.

3.21 Productivity and Innovation Observatory:

3.21.1 linking the seven Research Councils in Swindon with the Office of National Statistics (ONS) in Newport. The region is home to strong concentrations of data expertise and capacity. Best use of data is key to both understanding productivity at a more granular level and spreading innovation.

3.22 Tailored approaches to connecting communities

3.22.1 Building on GWP Industrial Strategy, to agree to pilot and measure tailored approaches to connecting communities in deprived neighbourhoods with skills and employment opportunities in the region's high growth sectors.

3.23 Branding:

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- 3.23.1 The Powerhouse will need a brand that is acceptable to its key stakeholders and is recognisable across the region and beyond. Stakeholders in the region need to come to a rapid decision about the brand for the cross-border Great Western area.
- 3.24 Joint plan and timescale - Core funding from Government is critical to enable the new Great Western Powerhouse to develop the plans on infrastructure, investment, internationalisation and inclusive growth; however this requires agreement on the establishment of a collaborative vehicle.
 - 3.24.1 Plan and timescale to be agreed by Government, city regions, unitary authorities, LEPs, business organisations and universities, with a formal announcement made in the autumn Spending Review.
 - 3.24.2 First proposed step is to commission an Independent Economic Review, similar to that of the Northern Powerhouse, Midlands Engine and Greater Cambridge Greater Peterborough Combined Authority

Next Steps

- 3.25 Further discussion with other partners is required in order to engage the wider group of authorities, organisations and businesses who will be affected by this work.
- 3.26 Time is constrained if there is to be a proposal submitted ahead of the Spending Review; the group will meet on September 2nd 2019 to develop the proposition.
- 3.27 Swindon Borough Council will continue to engage with this process and further identify the benefits for Swindon and the wider region in terms of economic growth and positive impacts for residents and the business community.

4. Alternative Options

- 4.1 Cabinet could choose not to endorse the Local Industrial Strategy. However, this could have adverse consequences for the local economy and mean that investment opportunities are directed elsewhere.
- 4.2 Cabinet could choose not to pursue membership of the Great Western Powerhouse. However, this would prevent building upon Swindon's existing economic and cultural ties along the M4/Great Western railway corridor.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 There are no immediate financial implications.

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Legal and Human Rights Implications

- 5.2 Legal and Human rights considerations have been taken fully into account in compiling this report. It is considered that the proposals within this report are compatible with Convention Rights.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 This report has no specific implications other than those referred to in the report.

Diversity Impact Assessment

- 5.4 No Diversity Impact Assessment is required in relation to this report as the recommendations would not affect any particular service users. Any strategies referred to in the report would carry out individual impact assessments where appropriate.

Risk Management

- 5.5 Risk is assessed as an ongoing activity as part of the Corporate Scorecard and Risk Register process.

6. Consultees

- 6.1 The Director of Finance (Section 151 Officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all Cabinet reports.

7. Background Papers

- 7.1 None.

8. Appendices

- 8.1 None

9. Key Decision/Decision in Cabinet Work Programme

- 9.1 This is a Key Decision and is included in the Cabinet Work Programme for September 2019.