

# Local Industrial Strategies Analytical Programme Rural Services Network June 2019



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1. The commitment of Local Industrial Strategies (LIS)
2. What does LISA do
  - The LISA Panel
  - The LISA Team
3. The LISA Pack
4. Questions

*“We will work in partnership with places to develop ambitious Local Industrial Strategies (LISs), which will be developed locally and agreed with the government.”*  
– Industrial Strategy White Paper, November 2017.

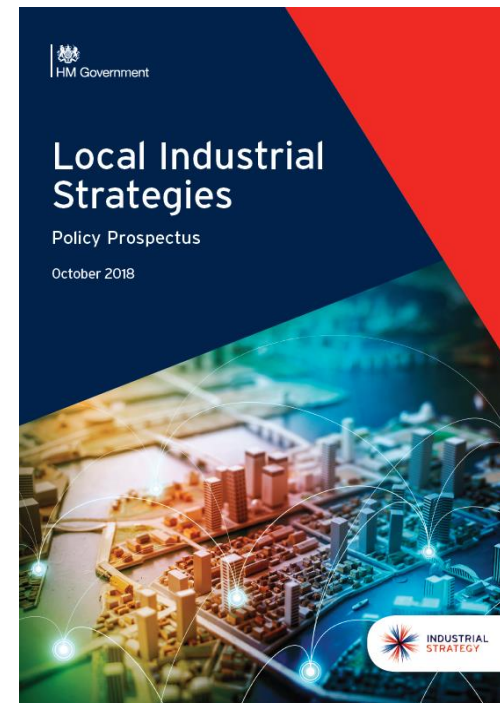
LISs should set out **clearly defined objectives** to increase the **productivity** of the local economy and **impact all communities**

Agreed in **all LEP/MCAs**, they will be:

- **Long-term** (to ~2030).
- Backed by **robust and open evidence**.
- Aligned to the **national industrial strategy**.

Government is committed to LISs so that all places:

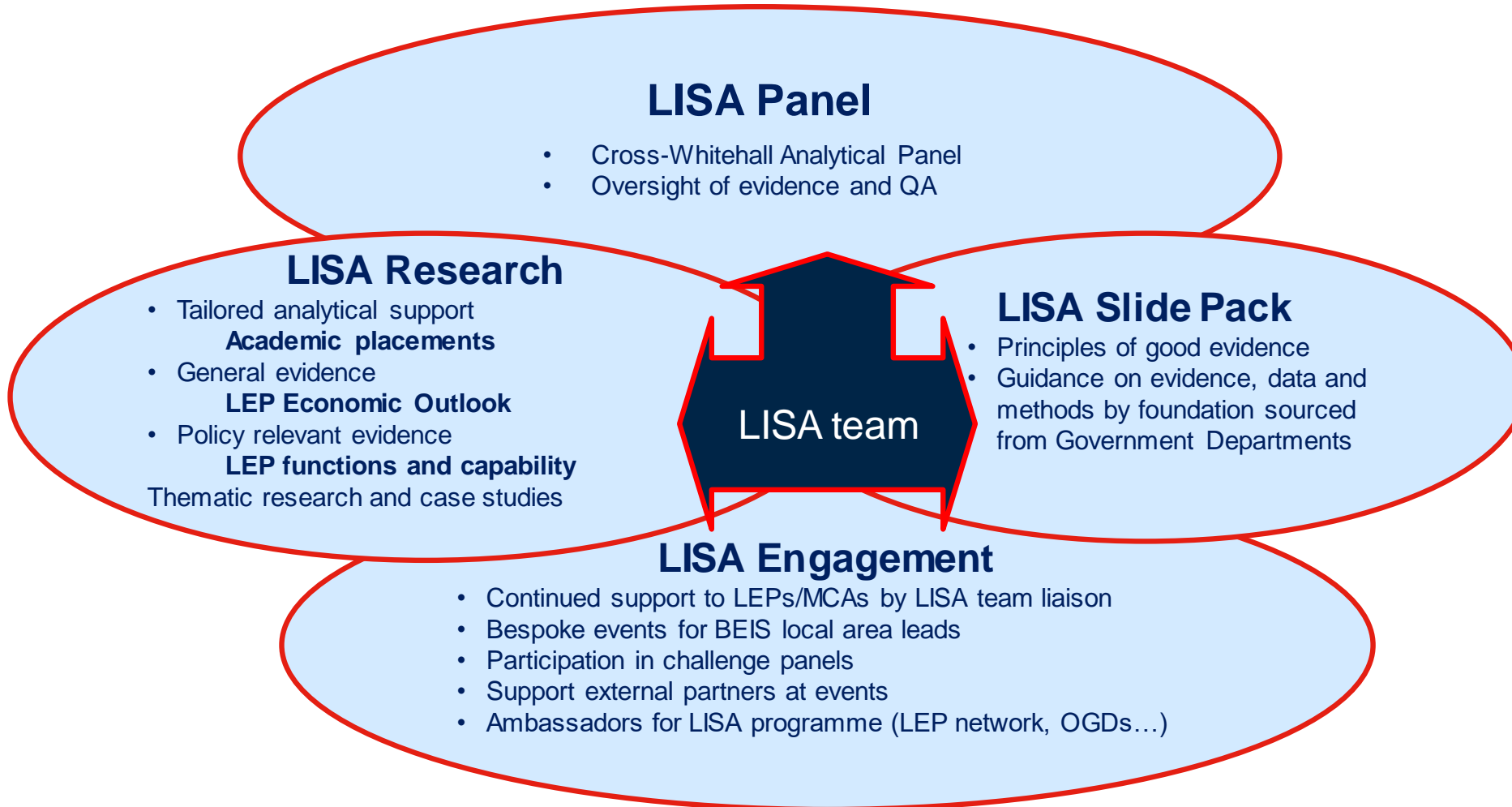
- **Are able to increase productivity and realise their potential**, building on well-evidenced and distinctive strengths aligned to the national Industrial Strategy.
- **Set out the spatial impacts of national and local policy across our cities, towns and rural areas**, informing priorities and choices and demonstrating how they will allow all communities to contribute to, and benefit from, economic prosperity.



[Link to Policy Prospectus](#)

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**Guidance, support, and quality assurance** for Local Industrial Strategies to meet cross-Whitehall analytical standards



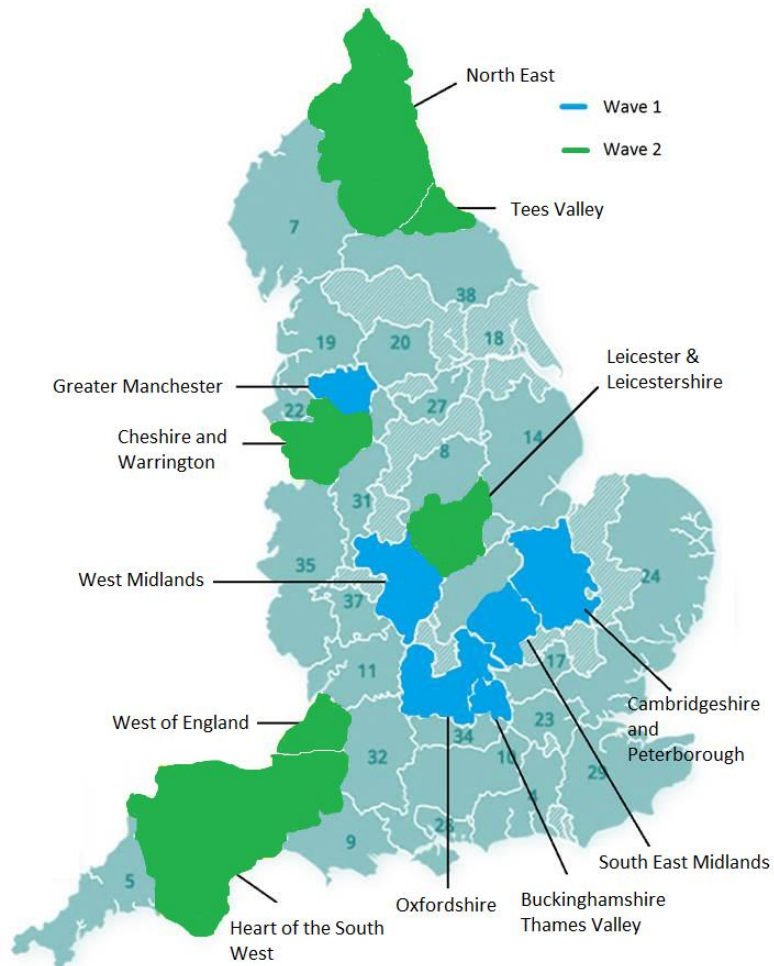
LISA Team act as gateways to the LISA resources and manage relations with LEPs/MCAs and OGDs

### *WITH LEPs/MCAs and BEIS Local*

- Guide local analysts
- LISA pack teach Ins
- LIS surgeries
- Challenge panels
- Channel info to and from LISA Panel
- Events

### *WITH OGDs*

- LISA panel secretariat
- LISA pack updates
- Regular catchups/events to coordinate official guidance
- Share intelligence across OGDs
- Tailored contact with specific LEPs/MCAs



# The LISA Pack

1. Policy Context
- 2. The Policy Prospectus**
  - a. Build a robust evidence base (Inputs, Outputs)**
  - b. Focus on locally specific challenges and opportunities**
  - c. Align with national industrial strategy**
  - d. Collaborate with public and private stakeholders**
  - e. Prioritise evidence-backed achievable long-term ambitions**
  - f. Set out plans to monitor progress**
  - g. Other analytical guidance (WWCLEG, Logic chains)**
3. Evidence guidance by foundation of productivity \*
4. Grand Challenges \*
5. Data and Studies references \*

\* To be updated regularly with input from local areas and analytical panel

## 2) The policy prospectus

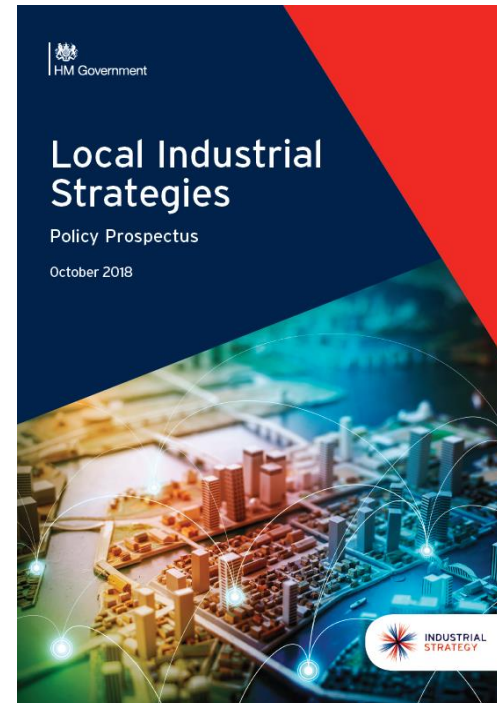
### A baseline for your local industrial strategy

- a) Build a robust and open [evidence base](#) that can be tailored to the strategy
- b) [Focus](#) on locally specific strengths and opportunities
- c) [Align](#) with foundations of productivity and grand challenges
- d) [Collaborate](#) with public and private stakeholders
- e) [Prioritise](#) evidence backed, achievable, and long-term ambitions
- f) Set out plans to [monitor](#) progress

*\*Ctrl+click on links to jump to section of evidence baseline*

### Bear in mind two aims

- Increase productivity and realise potential
- Allow all communities to contribute to and benefit from economic prosperity



[Link to Policy Prospectus](#)



## 2.a) Build a robust evidence base: inputs

*There are multiple approaches to building a broad evidence base  
Select yours (one or more) considering*

- **Who does the work?**

- Deploy internal capability and partners (universities, business), e.g. [WMCA](#), [SEMLEP](#)
- Refresh or launch an independent economic review, e.g. [GMCA](#), [CPCA](#)
- Commission an independent consultant e.g. [OxLEP](#), BTVLEP (unpublished)

- **What work needs doing?**

- Refresh your Strategic Economic Plan
- New research on specific topics e.g. low productivity firms, supply chains, innovation ecosystems, education and skills transitions, infrastructure...
- New forecasting, modelling, and scenario analysis to form part of the evidence base to identify local priorities

- **What sources and coverage**

- Secondary analysis of publicly available data sources of national scope (e.g. ONS, administrative data, published national reports)
- Deep dives to make the general evidence specific to the local area, often not of national scope, often requiring primary data collection

*Would an independent reviewer concur that the evidence supports the priorities and policies of your LIS?*

- **To pass the independent reviewer test your evidence outputs need to**
  - Make definitions (of e.g. sectors) clear
  - Build on data that can be shared and verified by others
  - Describe methods so that they can be replicated
  - Establish a clear line of sight between the evidence and the policy
- **Consider coverage carefully to avoid targeting the wrong groups or actions, and result in ineffective policies**
  - E.g. data on the corporate sector does not cover the public sector needs
- **Ensure there is a chain of logic that links the evidence to the policy**
  - What is the objective of the policy?
  - What needs doing to achieve that objective (INPUTS/ACTIONS)?
  - What is going to change as a result of the policy that wouldn't have changed without help (OUTPUTS that are additional)?
  - Who is going to notice that something has changed (OUTCOMES/IMPACTS including displacements)

## 2.b) Focus on locally specific challenges and opportunities

*Evidence what is special about your area that requires a locally designed policy AND what actions and changes will be noticed LOCALLY*

- Identify resources and features that **clearly stand out drivers of the local economy**
  - Centre of excellence in a sector or a discipline
  - State of the art facilities (business, cultural, academic)
  - High connectivity (physical or digital)
  - Presence of rural and/or coastal communities
- Determine how those resources and features **help or hinder productivity locally**
  - Unique assets such as dominant employers or anchor institutions also carry dependency risks
  - State-of-the-art scientific facilities attract high skilled but transient labour
  - High connectivity sustains maintenance and upgrade investments
  - Under-used assets (business, academic, environmental, cultural)
  - A rich natural environment supports the local economy and people's quality of life
- How can local leaders **steer resources and features** to improve productivity
  - How can they ... change local labour market conditions?
  - ... boost local business performance
  - ... optimise local infrastructure, physical, digital and green infrastructure
  - ... engage cultural and civic communities
  - ... steer population movement and upskilling?

## 2.c) Align to foundations and grand challenges

*Demonstrate what the foundations of productivity mean and need changing in your local area*

What is the local landscape of [ideas](#) and how to capitalise on its impacts in your area?

How integrated are skills and [people](#) in your area, in quantity and quality, and how to develop better integration going forward?

What difference can [infrastructure](#) policies make in transport and connectivity in your area?

How to optimise the local [business environment](#) to enable the right business growth and boost productivity in your area?

How will you ensure all communities in your [place](#) contribute to and benefit from this strategy?

*Demonstrate how your approach to grand challenges builds on the national aims*

Use the [Clean Growth](#) principles Toolkit, build on published national strategies

How would you scale an [Artificial Intelligence](#) ecosystem in your local area bringing together producers and users of AI locally?

What does the [Future of Mobility](#) mean in your local area (sectors, skills, assets) and how will they work together to tackle the challenge?

How do you identify and harness the economic opportunity of Ageing in your area

*\*[Ctrl+click on links to jump to section](#)*

## 2.d) Collaborate with public and private stakeholders

*There is a wide range of published resources, data, and expertise in universities, research institutes, and Think Tanks to help build the evidence*

- Draw on resources and evidence reviews relating to productivity and inclusive growth
  - WWCLEG, ERC, Productivity Insights Network, NESTA, Smart Specialisation Hub, Teaching and Learning Institute, Be the Business, OECD ...
  - Engage with providers of local level data and analysis: ONS, Administrative Bodies (OfS, UKRI...)
  - [SW Rural Productivity Commission](#)
  - <https://www.gov.uk/government/publications/role-of-local-nature-partnerships-an-overview>
  - <https://www.gov.uk/government/publications/map-of-local-nature-partnerships>
- Establish challenge and peer review panels to test robustness of the evidence base
- Engage with local stakeholders to draw in local intelligence
- Engage with other local areas to share practice and find solutions to common themes

## 2.e) Prioritise achievable long-term ambitions

*Local Industrial Strategies should not be exhaustive but select strategic priorities to address strengths and challenges that flow from the evidence*

Priorities should be achievable, stem from the evidence, and proportionate to the ambition of the local industrial strategy

- Utilise toolkits and evidence reviews of the What Works Centre for Local Economic Growth to understand what has worked before
- Align with established national policies, e.g. the Clean Growth Strategy and 25 Year Environment Plan
- The evidence base of the Local Industrial Strategy should aim to answer following questions for the suggested priorities
  - *What is the aim or objective of each priority?*
  - *What is the local area suggesting to do (could be public or private or partnership action)?*
  - *What is going to change as a result that would not have changed without action?*
  - *Who is going to notice something has changed (including positive and negative impacts)?*
  - *Do these actions and impacts reinforce or trade off across priorities?*
    - *e.g. competition for technical skills across priority sectors*
- Sections of the HMT Green Book provide more detailed guidance to answer these questions

## 2.f) Set out plans to monitor progress

*The best Local Industrial Strategies will build in from the start a proportionate and transparent monitoring and evaluation plan that specifies what success looks like, track progress, and learn for the future*

- Establish how to assess progress against the two objectives of a LIS
  - Places are able to increase their productivity and realise their potential
  - Places set out the spatial impacts of policies across cities, towns and rural areas and demonstrate how all communities benefit
- Design monitoring and evaluation methods proportionately to the scope and scale policy (Magenta Book helps identify target groups and other methods)
- Make use of [WWCLEG evaluation guidance](#), free workshops, and advice
- Benchmark overall performance against a suitable comparator (e.g. within LEP/CA or across LEPs/CA, or international)
- Observe consistency with other monitoring arrangement and specific metrics, e.g.
  - Evaluation plan of National Industrial Strategy
  - Evaluation plans of current agreements with HMG

## 2.g) Other analytical guidance: WWCLEG

*Working with local and combined authorities, LEPs and central government, the What Works Centre for Local Economic Growth have developed a set of principles for Developing effective local industrial strategies that are evidence-based*

1. What is the state of the local economy – with appropriately detailed context
2. How is the economy evolving – prime local scenario planning over obscure or highly uncertain models
3. Distinguish supply and demand sides – for cause and response, build it and they will come policies are risky
4. Target the policy response – identify market failures adequately
5. Impact on competition – balance focus on exclusive strengths (lower competition, high dependency) with horizontal policies
6. Experimentation – build on what works evidence
7. Use external challenge
8. Share the risk with partners – stakeholder support is key for success
9. Evaluation and feedback – proportionate but realistic help to design policy, enable reconsideration and redesign over time
10. Coordination – include all enablers and users of the LIS



## 2.g) Other analytical guidance: logic chains

A logic chain is evidence how steering the means will result in the end (visuals and narratives work better)

- 1. The END is evidence of the context and the need for a change**
  - Tackling a challenge - closing the productivity gap as in National IS
  - Building on strength - science and innovation strategy
  - Where public resources are involved we often ask for “evidence of market failure”
  - **In a LIS this would be the priorities**
- 2. The MEANS is evidence of how to steer them to achieve the aim (do, change, notice)**
  - What are you (the policy maker) going to **DO**? (typically referred to as ACTIONS or INPUTS, if in partnership also include what are partners going to do)
  - What is going to **CHANGE** as a result of what you do that wouldn't have changed otherwise? (also known as OUTPUTS that are ADDITIONAL)
  - Who is going to **NOTICE** something has changed? (also known as OUTCOMES or IMPACTS, including negative impacts also known as DISPLACEMENT)
  - **In a LIS this would be the narrative of how priorities will be achieved**

### For more practical guidance on logic chains:

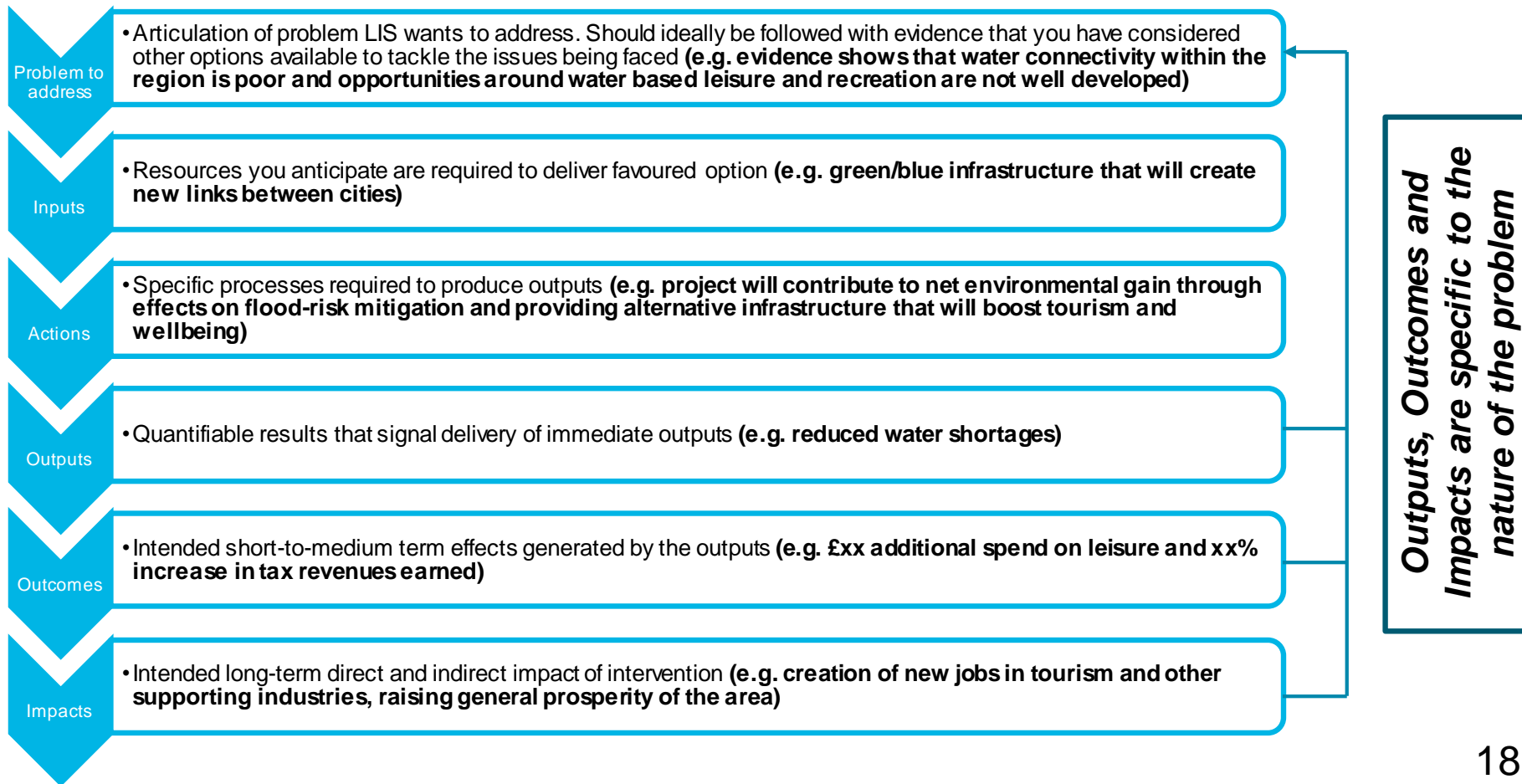
Slide 23 and pp. 50-58 of [West Midlands LIS](#) for exemplar LIS logic chain on the [People](#) foundation

Slide 33 and pp.69-72 of [West Midlands LIS](#) for exemplar LIS logic chain on the [Business Environment](#) foundation

Slide 39 and pp.73-79 of [West Midlands LIS](#) for exemplar LIS logic chain on the [Place](#) foundation

# Exemplar logic chain

***This is an exemplar logic chain based on the development of blue and green infrastructure between two cities. Users should please note that this is a very comprehensive exemplar logic chain that is intended to guide the development of building a robust narrative for LIS policies. As such, we do not expect every logic chain to feature all elements of the example below.***



# Questions?

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