



**SOUTH EAST**  
LOCAL ENTERPRISE  
PARTNERSHIP



**INDUSTRIAL  
STRATEGY**

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# South East Local Industrial Strategy

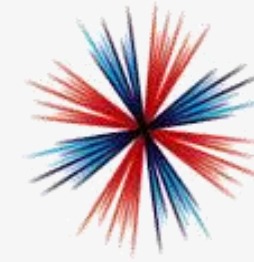
**Presenter:**

**Date:**





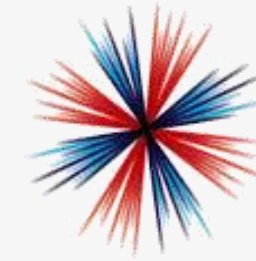
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## Aims of the Session

- Introduce the Government's Industrial Strategy
- Introduce the purpose of the Local Industrial Strategy and what it is (and isn't)
- Outline the approach to developing the South East Local Industrial Strategy
- Outline some economic characteristics and performance of the South East
- Propose potential strategic challenges and opportunities for discussion
- Help develop the interventions needed to take those opportunities forward



## Five Foundations



2.4%  
R&D  
target

Technical  
Education  
&  
Training

Housing  
Deals &  
TCF\*

Invest-  
ment  
Funds

SPF,  
Stronger  
Towns &  
FHSF^

## Grand Challenges



Ageing society



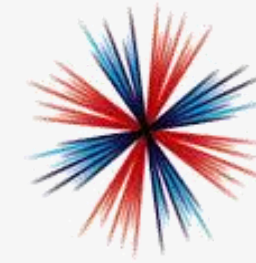
Artificial intelligence & data



Clean Growth



Future of mobility



## A Local Industrial Strategy...

Is...	Is not...
A future looking local (LEP) strategy, feeding into the Government’s Industrial Strategy, to drive productivity and growth and tackle national/global challenges	An economic plan for the SELEP, including lists of potential projects, as the 2014 Strategic Economic Plan was
An evidence-led strategy highlighting specific strengths and opportunities that can be capitalised on, and that if supported and invested in, could achieve greater productivity impact	Replacing other local economic policy or plans but to better co-ordinate and align them at a LEP level for greater gains, including across-LEP boundaries
A document that will support and underpin the allocation of future Government growth funding	A bidding document. The process for bidding for future growth funding will be announced in due course
A mechanism through which private, public and civic partners come together to agree the productivity generating long term ambitions for the area	A public sector strategy for growth





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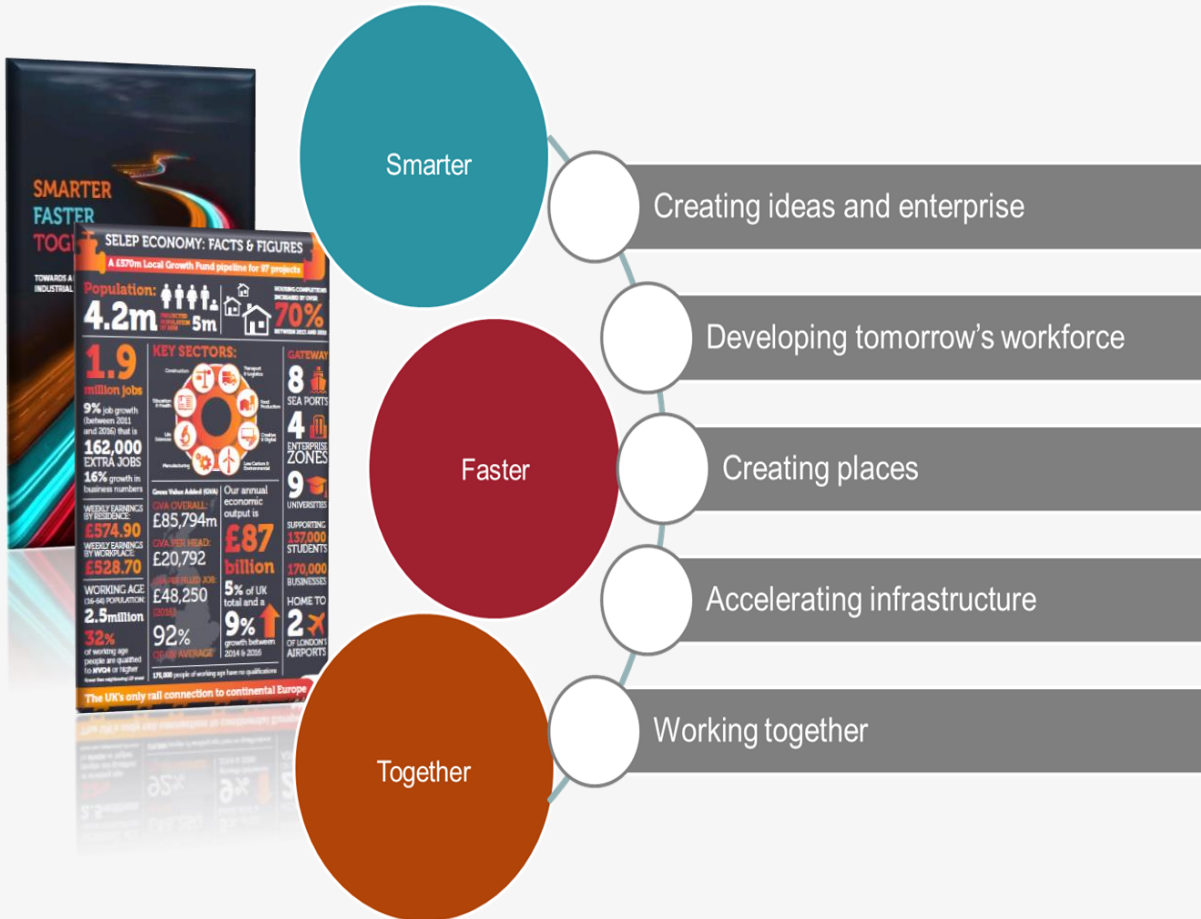
## Our local industrial strategy will...

- Be a vehicle through which we can drive **productivity and business growth**
- Focus on areas where we have **competitive advantage** and **strategic opportunities**. It will not cover everything!
- Be **business-led** and owned by all partners
- Place the South East in prime position to secure **investment** from the private sector and government and to **influence** policy





# Working towards a local industrial strategy



Local place and sector productivity and growth strategies

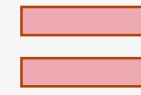


Vision and Priorities

Strategic Opportunities & Challenges

Grand Challenges

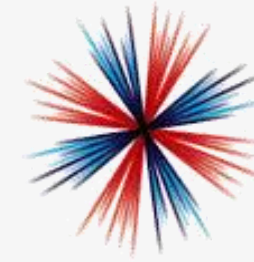
Foundations of Productivity



South East  
Local  
Industrial  
Strategy

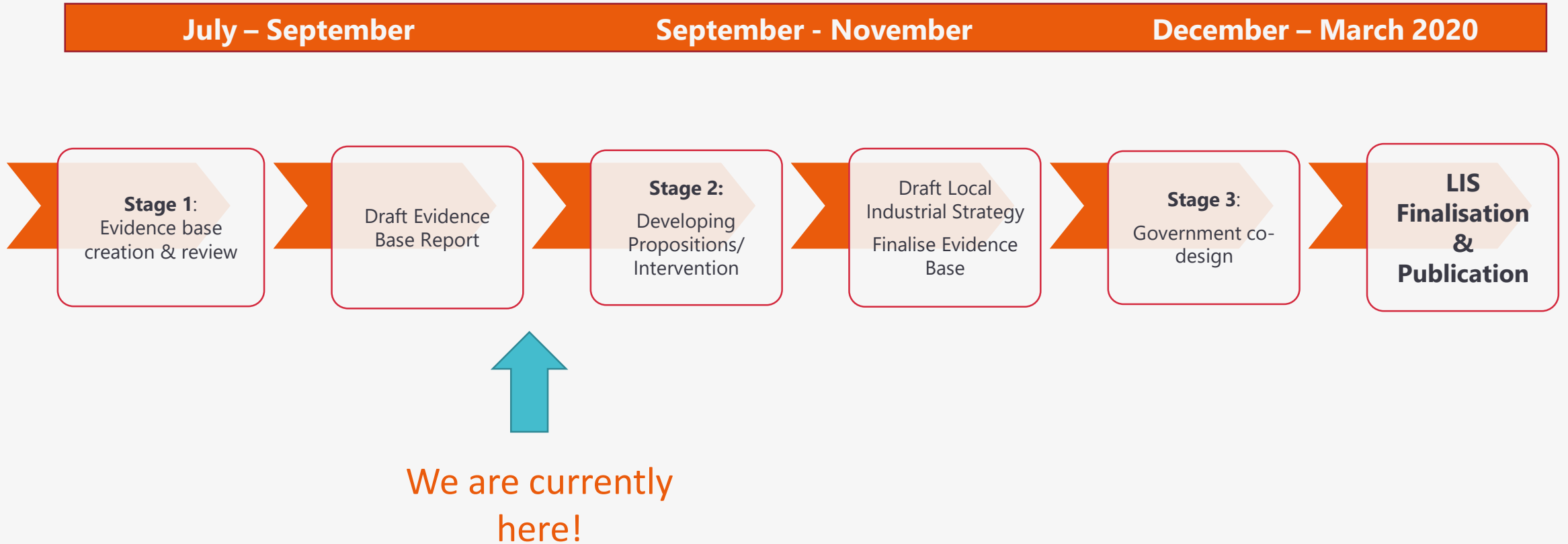


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## Timelines





# EVIDENCE BASE FINDINGS SO FAR

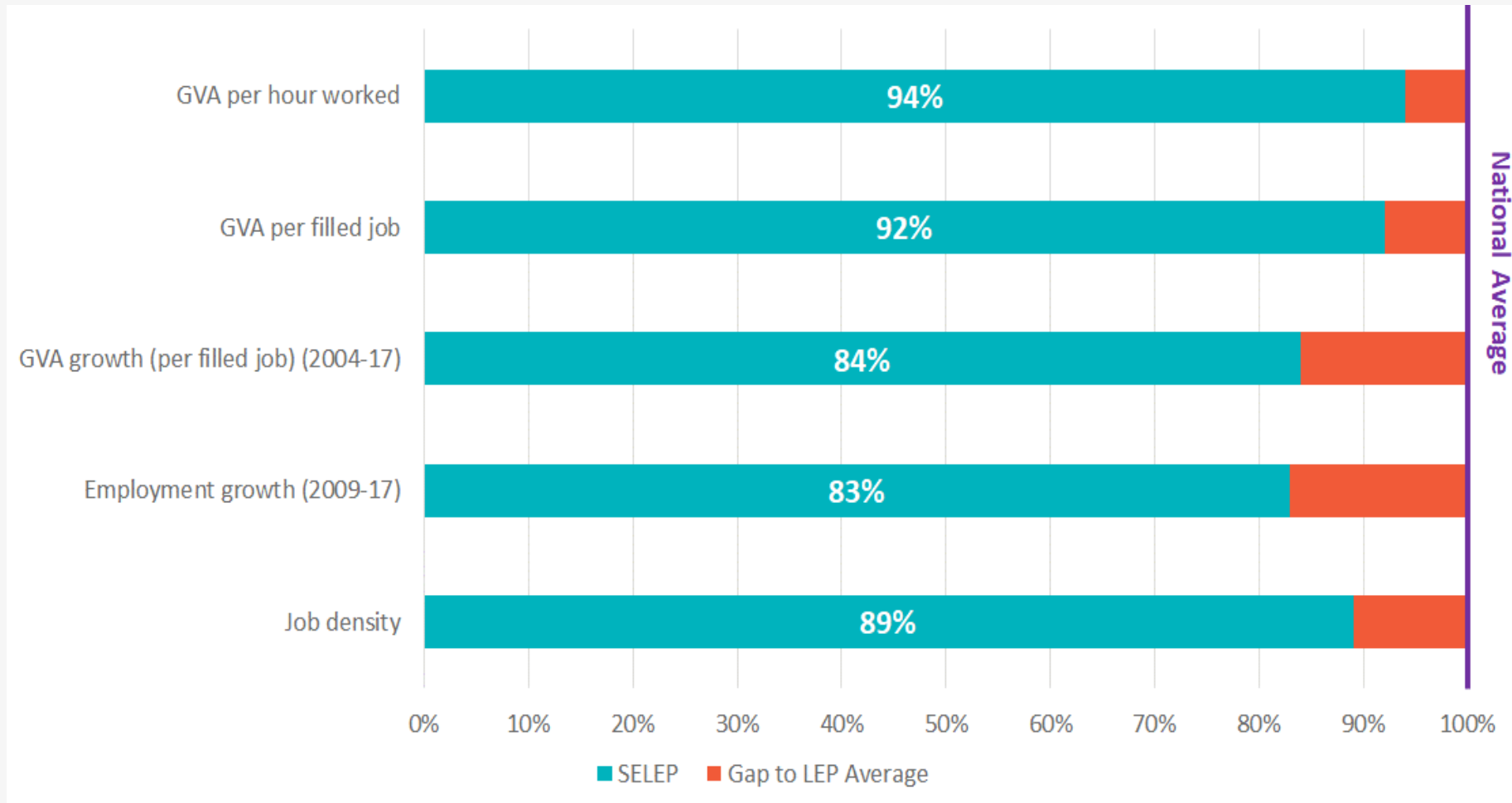
## Economic & Productivity Overview

- **SELEP performs relatively poorly across a variety of economic output and productivity measures**
- **But generates more GVA than any other LEP outside London**
- **Marked variations in GVA output at a local level:**
  - **Most coastal areas generate lower levels of economic output**
  - **Higher levels of economic output are recorded in areas closer to London, or where there are larger urban centres**
- **SELEP's economy provides 1.6m jobs, but recent job growth has lagged behind national average**
- **Particular concentrations of jobs in health, retail and education**
- **Growth opportunities within creative and digital industries, marine and maritime, life sciences, and low carbon technology**





# Economic & Productivity Scorecard

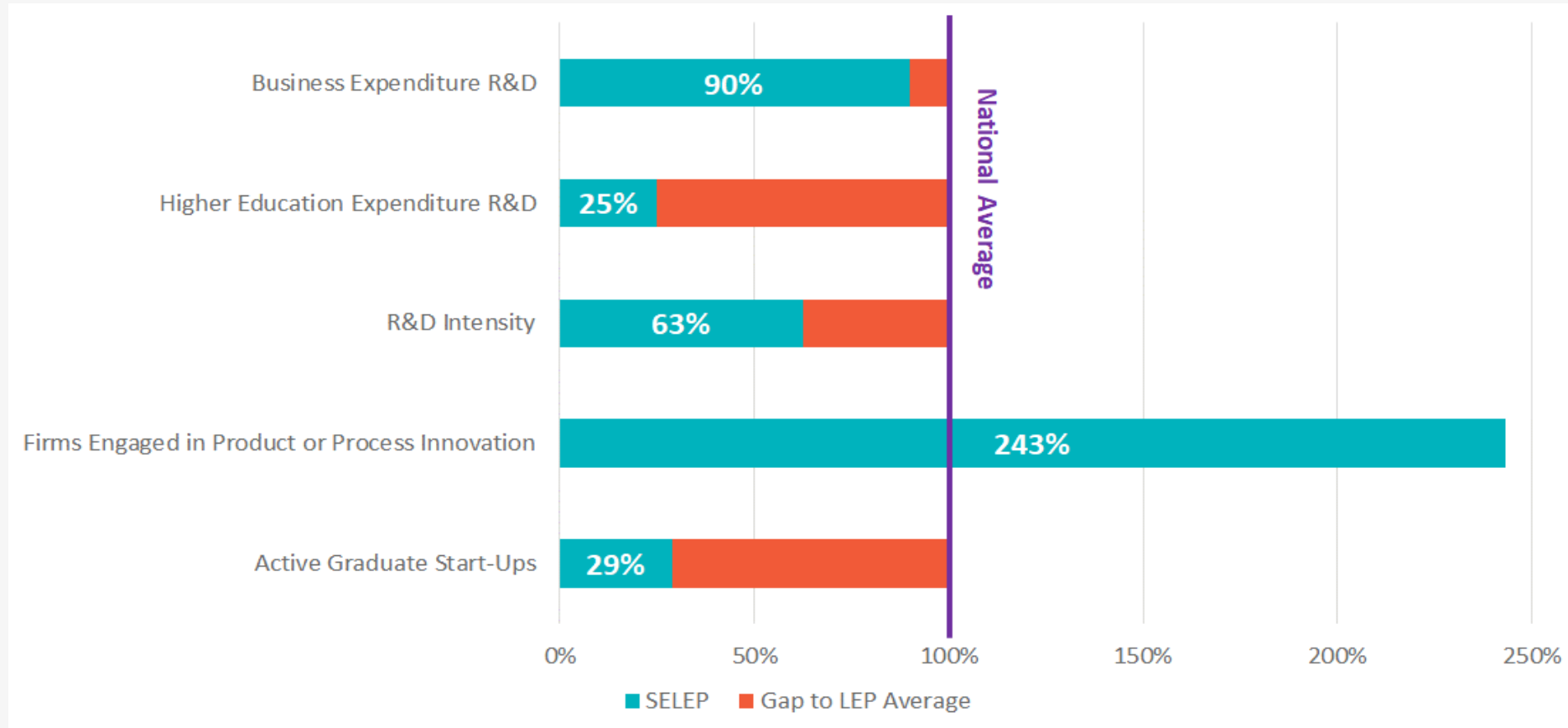


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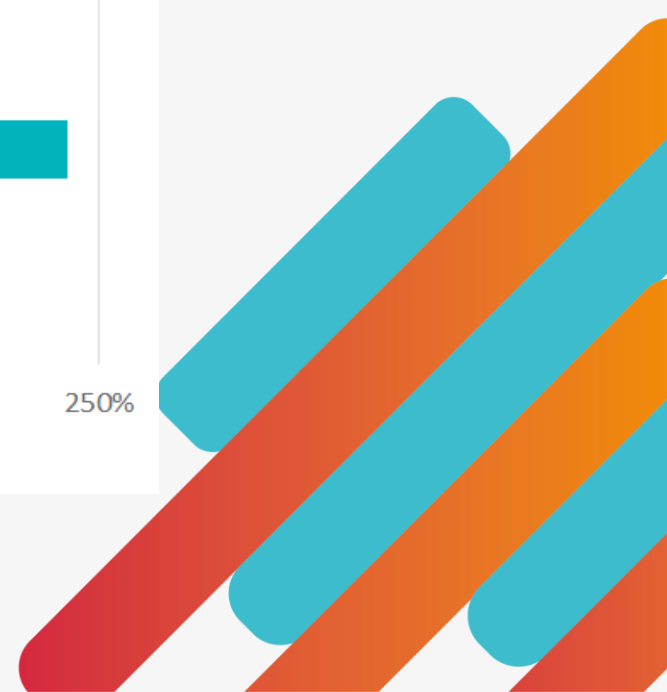
- Mixed performance across ideas and innovation themes:
  - **R&D intensity and business expenditure on R&D lags behind** national levels
  - **Better performance in terms of number of firms engaged in product or process innovation.** Significant concentrations of employment within science and technology sectors that offer strong opportunities for productivity growth
  - Strong higher education base, but **R&D expenditure by higher education sector is amongst lowest in the country** and graduate start-ups are relatively weak
  - **SELEP's share of innovation funding is substantially lower than it's share of population or business stock**
- Number of **key innovation assets of national/international significance**, many aligning with SELEP's key sector strengths
- Collectively, **all sectors in SELEP area need to do more to become more innovative**, create a stronger local innovation culture and commercialise its world leading science base to drive growth across the UK



# Ideas Scorecard



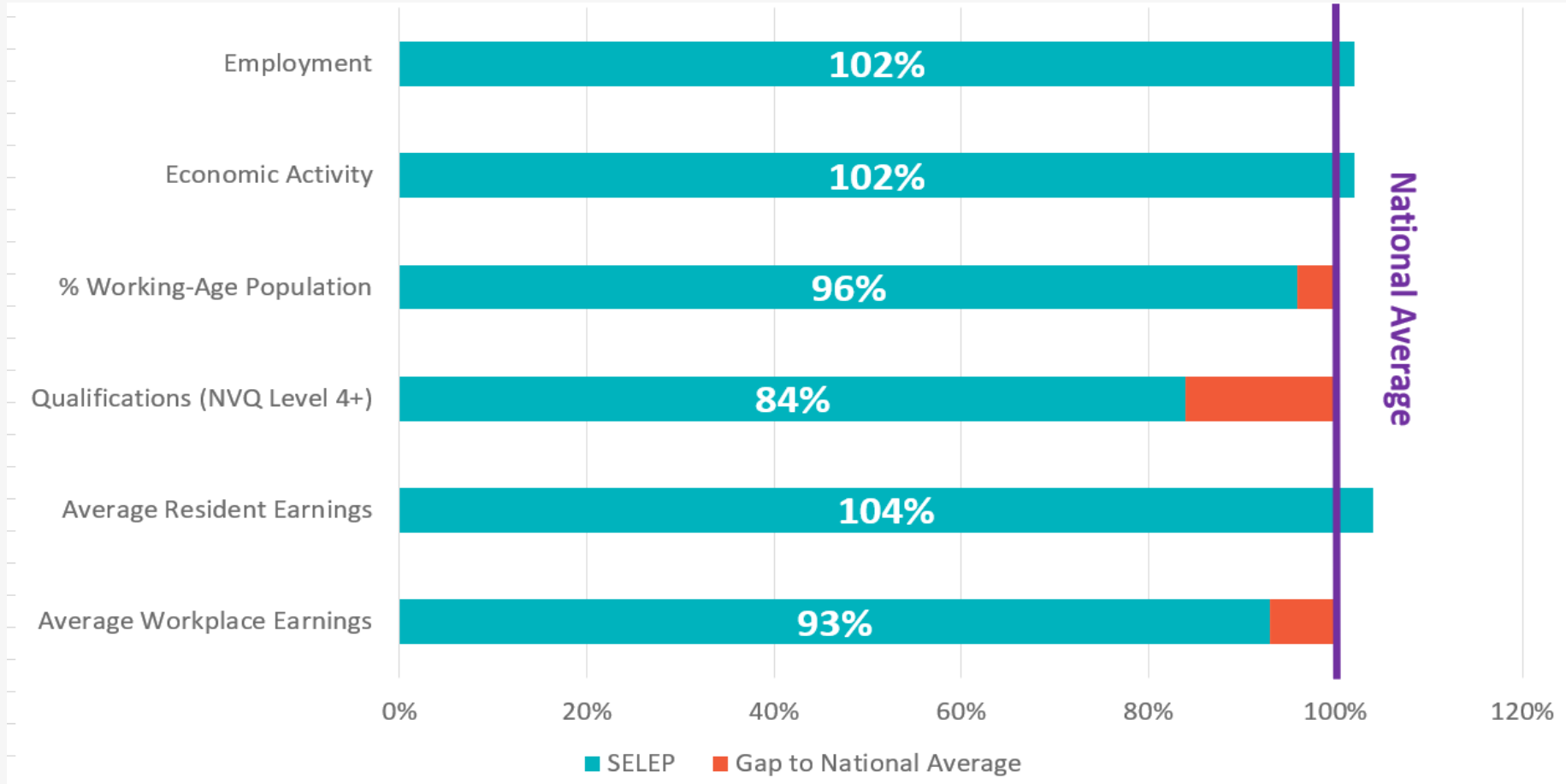
Source: Various



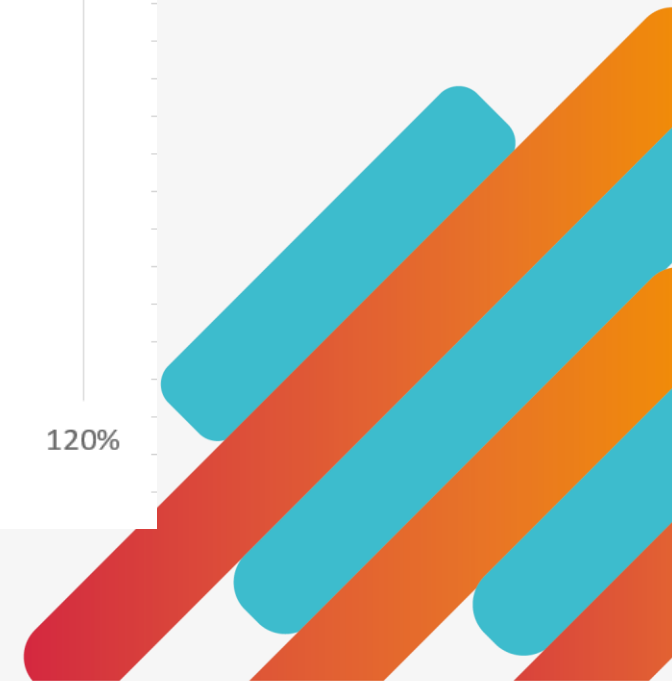
- **Strong population growth in recent years**, but SELEP's proportion of working-age population falls behind the national average
- Going forward, **population growth expected to exceed England-wide projections**, with locations on the fringe of Greater London projected to see fastest growth
- **Relatively high levels of employment and economic activity** = proportion of SELEP's population in employment and contributing towards creation of economic output is high compared with national rate
- **SELEP productivity is likely to be adversely affected** by:
  - **Current occupational structure** (weighted towards lower skilled occupation types)
  - **Resident skills base** (which falls behind national average on higher level skills (NVQ4+))
- **Levels of socio-economic deprivation are relatively low** compared with other LEP areas. However, **pockets persist with acute deprivation** evident in parts of Isle of Sheppey, Clacton-on-Sea and Thurrock



# People Scorecard



Source: Various

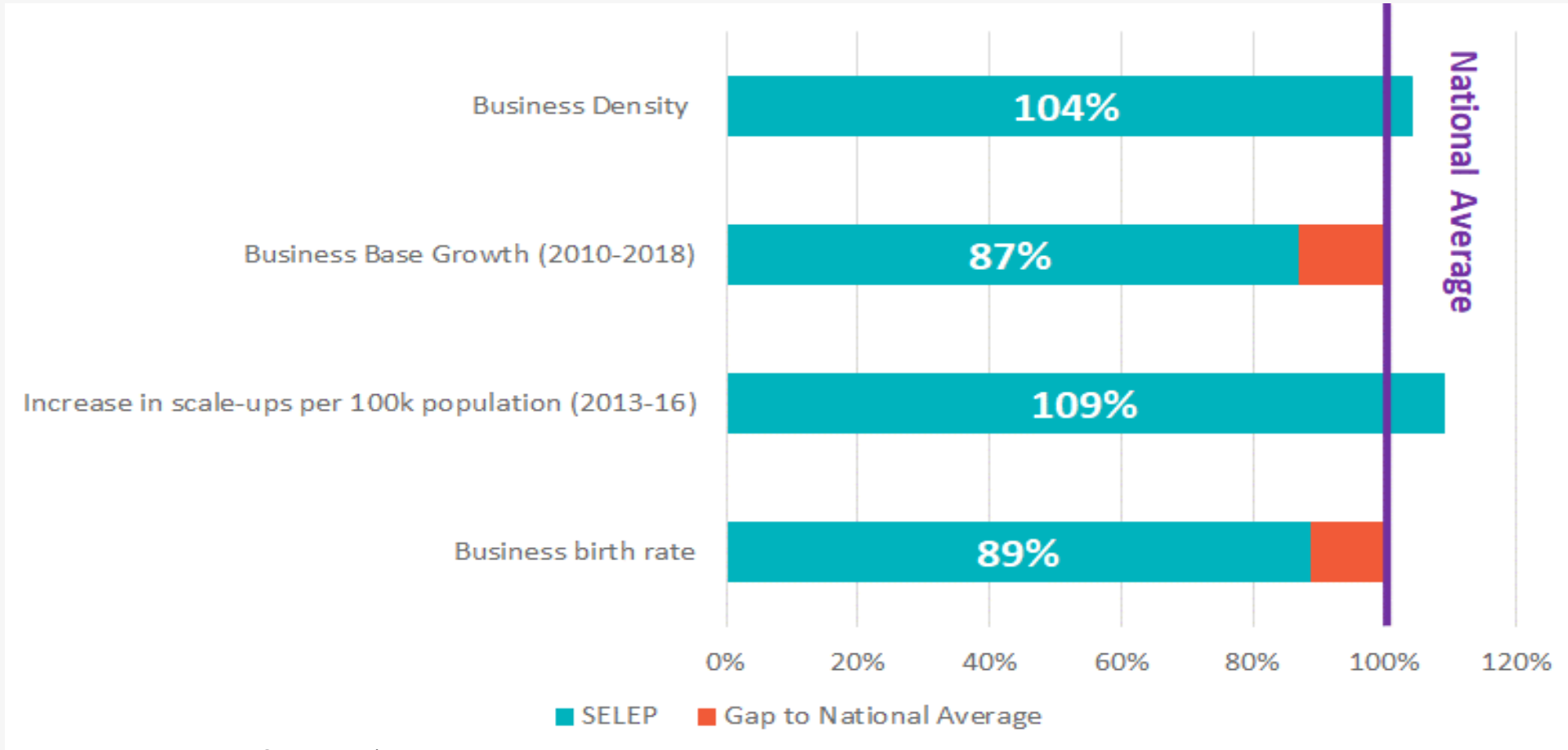


# Business Environment

- **SELEP has a sizeable business base and strong levels of business density** relative to the national average
- **Relative underperformance in business base growth in recent years** underpinned by slightly lower business start-up rates compared with the national average
- **Average performance on business scale-up** compared with other LEP areas. High representation or growth in scale-ups can help to drive growth in employment and value in local areas
- Reflecting national trends, **SELEP's business stock is overwhelmingly made up of small enterprises**
- **SELEP's business base is relatively under-represented in the most productive sector groups** (e.g. ICT, finance and insurance), and some of the more productive sectors are less productive in the SELEP area than they are nationally
- The area has historically been **successful at attracting and capturing inward investment**. Looking ahead, the LEP and its partners will need to re-think their approach to securing investment, with challenges including investor concerns about skills availability and the reliability of infrastructure



# Business Environment Scorecard



Source: Various

- **SELEP is highly significant from a national infrastructure point of view**, including two of London's airports, major ports, the UK's only rail connection to continental Europe and an extensive strategic road and rail network
- The **local road network performs relatively well** with average speeds on SELEP's 'A' roads exceeding national average. But increased congestion has resulted in reduced average speeds over recent years
- **South East rail network is the busiest and most congested in the country**. It requires further investment to enhance connections, particularly to coastal communities, to address congested commuter routes and to serve population growth in SELEP
- **Digital connectivity is generally good** (or at least equivalent to national provision) across SELEP, with the fastest broadband speeds and highest quality mobile coverage found in and around main towns such as Chelmsford, Medway and Southend-on-Sea
- Beyond transport infrastructure, **the SELEP area also makes a substantial contribution to UK energy generation**, with new nuclear facilities planned at Bradwell and major offshore wind generation capacity in the Thames Estuary, North Sea and English Channel





## Place

- SELEP has a dispersed geography with **no single centre dominating**. Much of SELEP is substantially urbanised, with pockets of highly urbanised areas located within South Essex and North Kent
- Travel flows are complex, with substantial outflows to London, but more tightly defined travel-to-work areas towards the coast. **SELEP contains or overlaps with 16 travel to work areas** which extend into wider hinterlands beyond the LEP's own boundary
- **Housing affordability and delivery are significant challenges** in the SELEP area. The housing 'affordability ratio' is above the England average in all but one district
- SELEP contains around **21.3m sq.m. of 'employment floorspace', the vast majority of which is industrial. Overarching trend of declining industrial floorspace** and some growth in office stock over the past 10 years, although changes have played out quite differently across the LEP area
- **Rural and coastal economies make a significant contribution** towards overall economic prosperity and growth at the SELEP level, but **coastal economies face a unique range of issues and challenges**
- **Creative industries play an important role in driving SELEP's visitor and cultural economy** and have been representing an increasing share of the area's business base. Retail and leisure centres (Bluewater Shopping Centre being the highest ranking) can collectively play a key role in supporting growth in economic output by attracting additional visitors and tourism expenditure to the area



# Initial observations

## Strengths

- Home to growing sectors – Creative, Life Sciences, Maritime and Low Carbon
- A powerhouse of research – 9 Higher Education facilities
- Has a strong culture of Enterprise
- Internationally important transport network, more so after Brexit
- Strong track record of attracting Inward Investment
- A broad range of economic assets

## Opportunities

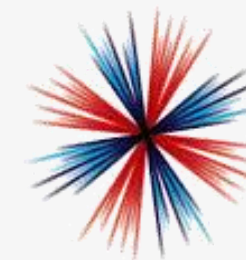
- The creation of a stronger innovation culture
- 60% of the UK's Garden Communities programme are located in SELEP
- Transport Gateways will play a different role post Brexit
- Greater Coastal and Rural contribution to economic growth

## Weaknesses

- Assets are clustered around London fringe, less so wider SELEP area
- GVA data reveals that SELEP has a productivity challenge to overcome
- Poor Economic Performance of the Coast
- Significant pressure on the transport network

## Threats

- Fast paced population growth
- Persistent and acute areas of deprivation
- Business base is overwhelmingly made of SMEs
- Dispersed nature of the geography mean assets are dispersed and competing
- Housing affordability and challenges to deliver housing growth



## So what are our key productivity opportunities ?



### Ideas

Advance the role of EZ

Create an innovation board/ forum

Increase R&D spend – business & HE

Advance digital tech (application of)

Sector/cluster approach e.g. agri-tech & links to London/ Cambridge



### People

Develop Leadership & Management Skills in SME's

Expand digital skills development – sectors/rural/coastal?

Support businesses with training & apprenticeship growth



### Infrastructure

LTX

HS1 from East Sussex  
Extension of Crossrail to Ebbsfleet  
Connectivity to Garden Communities

Road and rail access for the major ports & airports

Unlock potential of our ports

Investment in green



### Business Env.

Creation of future/grow on workspace – Garden Communities, High St

Collaboration on R&D funding & commercialization of

Boosting high growth start and scale up enterprises – Growth Hubs, Universities



### Place

Develop sustainable garden communities, through innovative place making & as a testbed for new design & construction innovation

Creation of a Tourism Zone (creative & cultural)

Boosting the product innovation leaders as key sectors to place making\*



## Routes to Engagement – Local Channels

Businesses and wider stakeholders can feed into the SELEP LIS through a variety of forums as well as through our feedback template



## Routes to Engagement: LEP Events

Workshop	Date
Internal Stakeholder – Regular meetings	Monthly
Partner – Various planned events	Throughout
Thematic – Foundation/ Grand Challenge	Mid-Oct (tbc)
Thematic – Foundation/ Grand Challenge	Mid-Oct (tbc)
Thematic – Foundation/ Grand Challenge	Mid-Oct (tbc)
Thematic – Foundation/ Grand Challenge	Mid-Oct (tbc)
Thematic – Foundation/ Grand Challenge	Mid-Oct (tbc)
Summit	November (tbc)

**Internal stakeholder** – focused on contributions into the process and progress of the LIS development via established LEP/Federated structures.

**Thematic events** - aimed primarily at business, academia and other partners to focus on developing qualitative evidence and specific interventions around the strategic opportunities and Grand Challenges.

**Partner events** – planning local sessions with LAs, businesses, education, and business intermediaries, to consider the evidence and interventions that are emerging and input to the development.

A wider ‘summit’ may also take place to engage with businesses and others on the LIS overall.

***All feedback will be integrated into the evidence base***



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## Questions for discussion

- Do the productivity challenges and potential opportunities identified, reflect the situation in your area?
- What do you perceive to be the main opportunities and challenges ahead for businesses in your area / sector?
- What are the main business opportunities and challenges ahead? How could these opportunities, or the removal of barriers, improve productivity and business growth?
- What actions could businesses take to adapt and take up those opportunities? How can the public sector help?
- Please respond in terms of the what, how, who and when... 😊



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## How to feedback

Please capture the essence of the key points discussed in your groups and structure your notes under each question. A template for doing this is available.

We have included a section for any other points that you want us to capture and feed into to the strategy development work.

Please send your completed notes to [sharon.spicer@southeastlep.com](mailto:sharon.spicer@southeastlep.com) and [helen.russell@southesatlep.com](mailto:helen.russell@southesatlep.com)

Thank you for your contribution.

