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# SELEP Local Industrial Strategy: Engagement Report

December 2019

South East Local Enterprise Partnership



SOUTH EAST  
LOCAL ENTERPRISE  
PARTNERSHIP

THE MOST  
ENTERPRISING  
ECONOMY  
IN ENGLAND

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# Engagement Report

The South East Local Enterprise Partnership has been engaging with a significant number of stakeholders from the public and private sector on the development of a Local Industrial Strategy (LIS) for the South East.

This report outlines the high-level trends from this engagement feedback, providing evidence by which this information can be used alongside quantitative evidence to shape the interventions that will be included in the forthcoming LIS.

We have engaged with key groups and partners including, but not limited to:

- Local Authority Leaders and lead officers
- University Working Group
- Rural Working Group
- Coastal Working Group
- South East Creative Economy Network
- Housing and Development Working Group
- Business boards and representative groups
- Business representatives from across the South East
- Thames Estuary Production Corridor
- Local Nature Partnerships
- The Greater London Authority

## Key Feedback

The primary output of the engagement events undertaken was gaining an understanding of the challenges and opportunities that stakeholders felt needed to be addressed in the LIS. This section identifies the trends in terms of shared thematic areas of challenge and opportunity across stakeholder groups.

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## **Clean Growth**

Clean growth was a common theme across engagement events, strongly linking to the Clean Growth Grand Challenge outlined in the National Industrial Strategy. The focus was primarily on issues related to climate change, energy capacity/generation and the challenge of achieving net-zero emissions by 2030.

Feedback included:

- The challenge in terms of capacity in energy generation, particularly clean energy generation – especially given population growth estimates.
- The coastal opportunity to address the energy generation challenge – offshore wind, tidal, nuclear.
- Water shortages linked to climate change and population growth – also linked to challenges facing agriculture.
- Ambition for carbon neutral development and communities given the planned scale of development across the South East.
- The environment and natural capital seen as key strengths but also a challenge in terms of protecting, enhancing and commercialization of our assets.
- Illustrate best practice for clean growth through development opportunities in the South East – the garden communities are a prime opportunity to pilot innovative technologies and modern methods of construction.
- The opportunity for further investment into nuclear power – Bradwell B.

## **R&D and Innovation**

The importance of research & development (R&D) as well as innovation in a more general sense was a common theme across engagement events. The challenges primarily focused around the gap in R&D and innovation investment across the South East, as well as the challenge and opportunity of linking businesses to higher education institutions.

Feedback included:

- Mechanisms to support Universities to link up with businesses more effectively, especially micro and small businesses, to improve commercialization of R&I.
- Large companies tend to drive innovation and there is a challenge in terms of encouraging micro and small businesses to invest in innovation.
- SMEs need more incentives to undertake R&D beyond tax credits.
- Workspace location and type can assist innovation – more collaborative workspaces across clusters or sectors can drive innovation, and location of hubs near universities can take advantage of the research opportunities of the nine universities based in the South East.
- Businesses need to be encouraged to take risks to innovate, this is as much a knowledge issue as it is a means issue.
- Inconsistent relationship between business and universities across the area.

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- SMEs need to be better informed and encouraged in terms of their product pitch/offer to more effectively access finance, including venture capital funding.
  - Promote wider partnerships across higher education and business to generate ideas.
  - Knowledge exchange needs to be increased.
  - Provide support for small businesses, entrepreneurs and start-ups – both financial and mentoring.
  - The clustering of higher education institutions could promote further innovation and collaboration opportunities against specific research areas and/or commercial opportunities, including creation of an innovation framework for the region

### **Inclusive growth**

Ensuring that economic growth promoted through the LIS was spread across the geography and community, particularly to places with higher levels of deprivation, was a common theme across engagement events and was cross-cutting in terms of sector and thematic discussions.

Feedback included:

- The uneven distribution of skills across the South East is notable.
- The challenge along the coast – socio-economic challenges around health, education, the environment, the economy, housing conditions. But opportunities linked to energy generation, marine, creative, visitor economy and logistic sectors are evident.
- Gaps in terms of skills provision for high-paying work and Industry 4.0 job roles.
- Pockets of deprivation in rural areas.
- Digital, housing and geographical barriers to engagement in the economy need to be addressed.
- Ensure productivity gains are shared across the geography and not just in a small percentage of highly-productive businesses in urban areas.
- The opportunity to promote and grow social enterprises across the South East that address many of the socio-economic challenges that the region faces.

### **Infrastructure & Connectivity**

A consistent theme was the challenge and opportunity related to both physical and digital infrastructure investment. There was a particular focus on improvements to the road network and particular infrastructure challenges to various geographies within the SELEP area.

Feedback included:

- Improvements to the strategic road network (e.g. investment in A12, M2, M20), particularly motorways and the completion of the Lower Thames Crossing to facilitate growth in the population, housing stock and access to work and services.
- Relieve congestion that hinders access to and from our sea and air ports to boost trade and productivity and improve public transport access to these

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- Potential to develop/enhance rail infrastructure to transport freight from ports
  - Ensuring the good broadband and mobile coverage is available across the entire LEP geography, particularly addressing the 'cold spots' in rural and coastal areas.
  - Facilitating the quick adoption of 4 and 5G and fibre technology.
  - The potential for 'smart motorways' to facilitate expanded digital infrastructure coverage more efficiently.
  - Support modal shift - getting workers to use public transport more often and easing congestion caused by individuals using cars to travel to and from their place of employment.
  - Understand the different challenges between intra-urban and inter-urban transport.
  - Better physical connectivity across the region without reliance on networks that run through London.
  - Ensure fast rail connectivity across the SELEP area.
  - Maximize the South East's geographical position as a 'gateway' to London and Western Europe.
  - Many of the transport points above can link to the TfSE strategy consultation and it was highlighted the need for Essex to have the same work and understanding.

## **Natural Assets**

There were recommendations that the LIS should maximize the opportunities to protect, enhance and promote the region's natural assets, and drive clean and resilient growth.

Feedback included:

- The south east is an area rich in natural capital with a high proportion of National Landscape areas which creates opportunities for tourism and makes it a strongly attractive area for people to live and work in.
- The natural environment is vital for physical and mental health and supporting people's productivity
- Economic growth should not be at the expense of environmental protection – links to the clean growth agenda.
- The backdrop is the climate and ecology emergency – a huge threat to future growth and economic wellbeing.
- Natural capital is essential for mitigating and adapting to the climate emergency, and can help enable appropriate development and mitigate development risks
- Natural climate solutions should be sought alongside more traditional but more expensive hard engineering solutions since these will address both climate change mitigation and adaptation
- New developments should be carbon neutral to protect the local environment.
- Opportunities to commercialize natural assets, such as innovating in the rural economy e.g. rewilding farmland to promote tourism, viticulture etc.

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## **Rural Economy**

The rural economy was a focus of many discussions, particularly noting the scale of the existing rural economy and the variety of rural businesses that exist in the South East beyond agriculture.

Feedback included:

- Transport and digital connectivity should not only focus on urban areas but rural communities too.
- Significant opportunity in terms of agri-tech and innovation in food & drink production and manufacture.
- The South East has a competitive advantage nationally in terms of its viticulture.
- There are many micro businesses in rural areas that require improved transport and broadband.
- Many rural businesses won't step over the VAT threshold.
- Healthy ageing in rural areas needs to be a focus.
- There are no real clusters that exist in our rural areas and the creation of these could link the rural economy more effectively with each other and HEIs.

## **Coastal Economy**

SELEP has the longest coastline of any LEP in the country, hence it was unsurprising that the coastal economy prominently featured throughout many of the engagement events held.

Feedback included:

- Significant coastline is an opportunity in terms of clean energy generation e.g. offshore/onshore wind, tidal, nuclear.
- Smart borders at our ports are key to ensure smooth transition post-Brexit.
- The productivity level is significantly lower in coastal areas than in other parts of SELEP, closing this gap will boost the GVA of the South East and average productivity levels.
- Private housing in coastal areas is less green than other areas and requires retrofitting at a significant cost.
- Opportunities specifically in maritime, logistics and visitor economy sectors.
- Specific skills are in demand, but the supply is worse in coastal areas, with a talent drain to larger towns and cities further inland.
- There is a strong cultural offer within the coastal economy – food & drink is linked to this.

## **Housing & Community Development**

Stakeholders emphasized the size and scale of the development opportunity across the South East, noting that the South East has been at the forefront nationally in terms of delivering housing developments. The projected population growth and supply gap that currently exists in the housing market meant that there was

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consistently a focus on the housing opportunity, as well as creation of commercial space, at various engagement events.

Feedback included:

- Significant development opportunity in the South East, including over 30% of allocated garden communities falling in the SELEP area.
- Opportunities for collaboration and knowledge transfer across the garden community developments
- Challenge of a dwindling construction labour supply why the pace and scale of demand is expanding.
- Large scale development projects provide the opportunity to pilot new and sustainable methods of construction, the future of mobility, age appropriate housing ('smart homes') and suitable education and leisure/wellbeing pursuits.
- Such developments also provide the opportunity to create commercial workspaces fit for modern ways of working and that are affordable.
- Successful schemes need to be showcased more effectively so other developers and planning authorities are aware of what is possible.
- Transport is a challenge, particularly with developments near existing communities where deprivation indices are low.
- Infrastructure needs to be ahead of housing development for the most effective outcome – government needs to be convinced to make this investment early.
- Issues around land banking, land pricing and displacement need to be addressed.
- Projects like FutureProof are bringing new models of development forward, specifically relate dot issues of land value and diversification of developers.
- SME developers need to be better supported and promoted as the build out rate is quicker than larger developers and may equally support increased innovation.

### **Creative & Cultural Industries**

The cultural and creative economy was consistently referenced in engagement events, with attention paid to the size and importance of the sector as well as its unique characteristics.

Feedback included:

- The importance of creative industries to the South East economy, particularly the opportunity for this to transform deprived communities and provide a sense of place for developing new communities.
- Innovation is central to the creative industry and wider partnerships between businesses and HEI could generate further ideas – recognizing STEAM not simply STEM.
- Creative is a large growing sector, predominantly made up of micro businesses. But there are particular areas where specialist support is required – particularly around freelance workers.
- Digital connectivity is hugely important to the sector, allowing people to access services and assets.
- The sector support vibrant places and there is evidence to support cultural tourism and links to other sectors such as food and drink.

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- Create Tech is an emerging priority - stimulate and invest in collaborations (R&D) between creative and technology across various settings.
  - Identify areas with potential for the strongest growth for focused alignment of policy and investment in infrastructure through creative clusters.
  - Investment in R&D and accelerator model for entrepreneurs, scale-up advice, local mentors and peer expert network, increased focused offer on freelancers
  - The Creative Industries is the fastest growing sector of the UK economy, but it needs investment to create a talent pipeline to meet skills shortages and support for the growth of creative skills throughout the lifetime of workers - 'Attraction Strategy' for Talent development inc. T-levels and apprenticeships
  - Generate new interconnected tourism packages integrating the rural and coastal offer, building on the success of viticulture, and food collaborations, bespoke self-build packages aimed at domestic and international tourists.

## **Skills & Employment**

Growing and improving the skills base was a consistent theme across engagement events. Skills was a cross-cutting theme that applied to many of the opportunities and challenges outlined above.

Feedback included:

- Issue of resources, particularly relating to technical roles, the construction and agricultural sectors. Pipeline of talent which will be required over the next decade is not there.
- Management and leadership capabilities are a challenge, particularly for business growth
- Ageing workforce, the importance of lifelong learning, career development, and retraining programmes. This linked strongly to evolving digital skills.
- Apprenticeship numbers are a concern and making better use of the apprenticeship levy. Non-levy funding lacking, co-investment requirements, bureaucracy, complex process, trend towards training existing staff rather than new recruits.
- Attract a skilled workforce by marketing the South East as a good place to live and work. Links to building new communities.

## **Other general feedback included:**

- The challenge and opportunity of the ageing population, particularly in coastal areas.
- Business and commercial space is lacking and driving expanding businesses out of the region.
- Shaping the future of funding is important, ensuring that micro businesses are able to access funding without the stringent capital requirements that exist within the EU funding regime.
- The future of jobs, given the risks of automation, need to be better understood and planned for.
- Place making in general needs to be prioritized and is a cross-cutting theme.
- There could be delegated spatial planning at a SELEP level.
- The public sector needs to think more innovatively about funding structures, particularly as it relates to jobs and homes.