

Regen 2018 Conference

## **Presentation – The value of economic development work for Northern communities**

Nov 2018



# Securing Growth

- RDAs formed in 1998
- Grappling with this topic at least since this point (and before)
- Not going to solve the issue in next 20 minutes

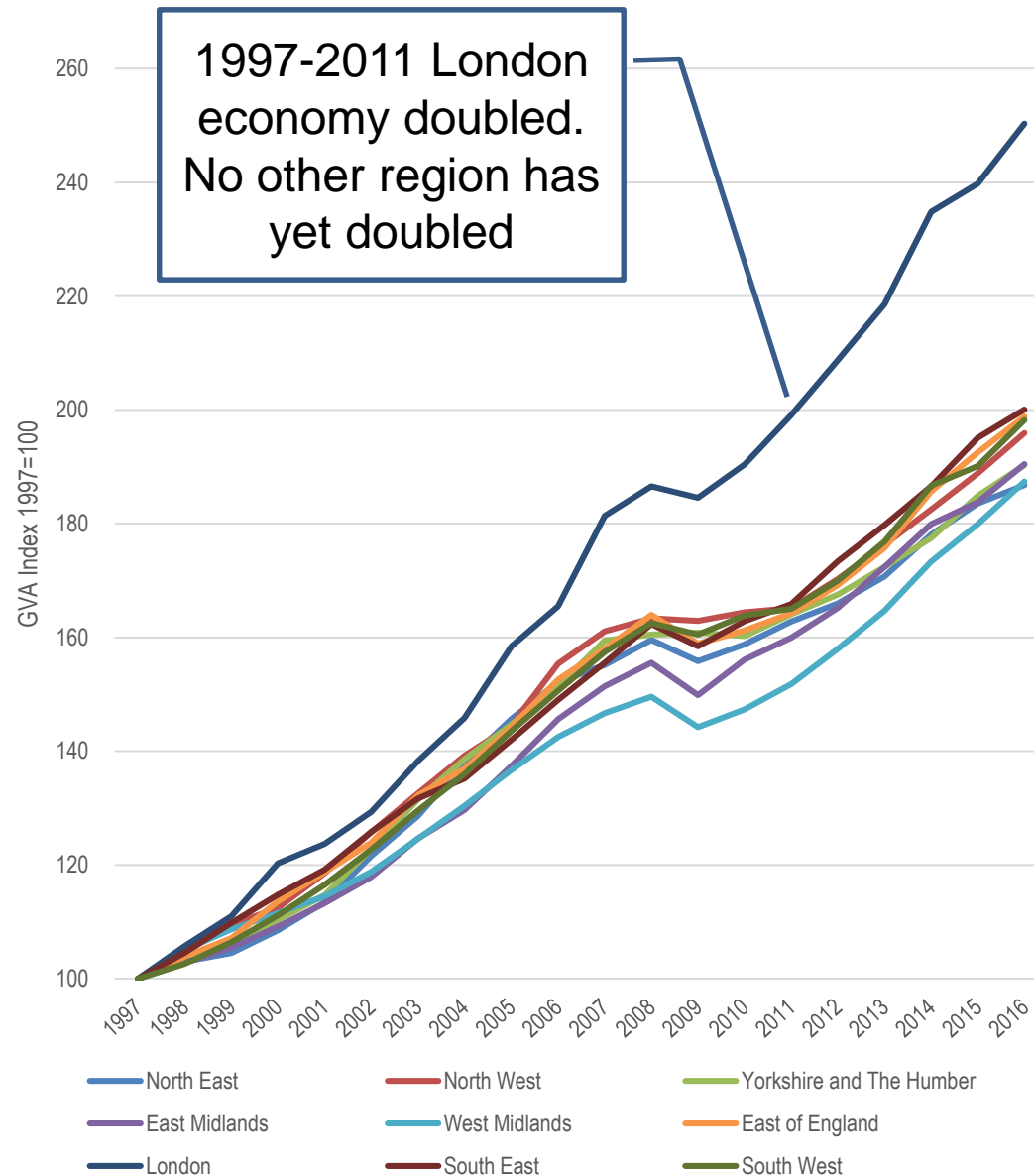
## Content

- Data to consider
- The inter-relationships
- One area that is over-looked
- Shifting an approach

# Securing Growth

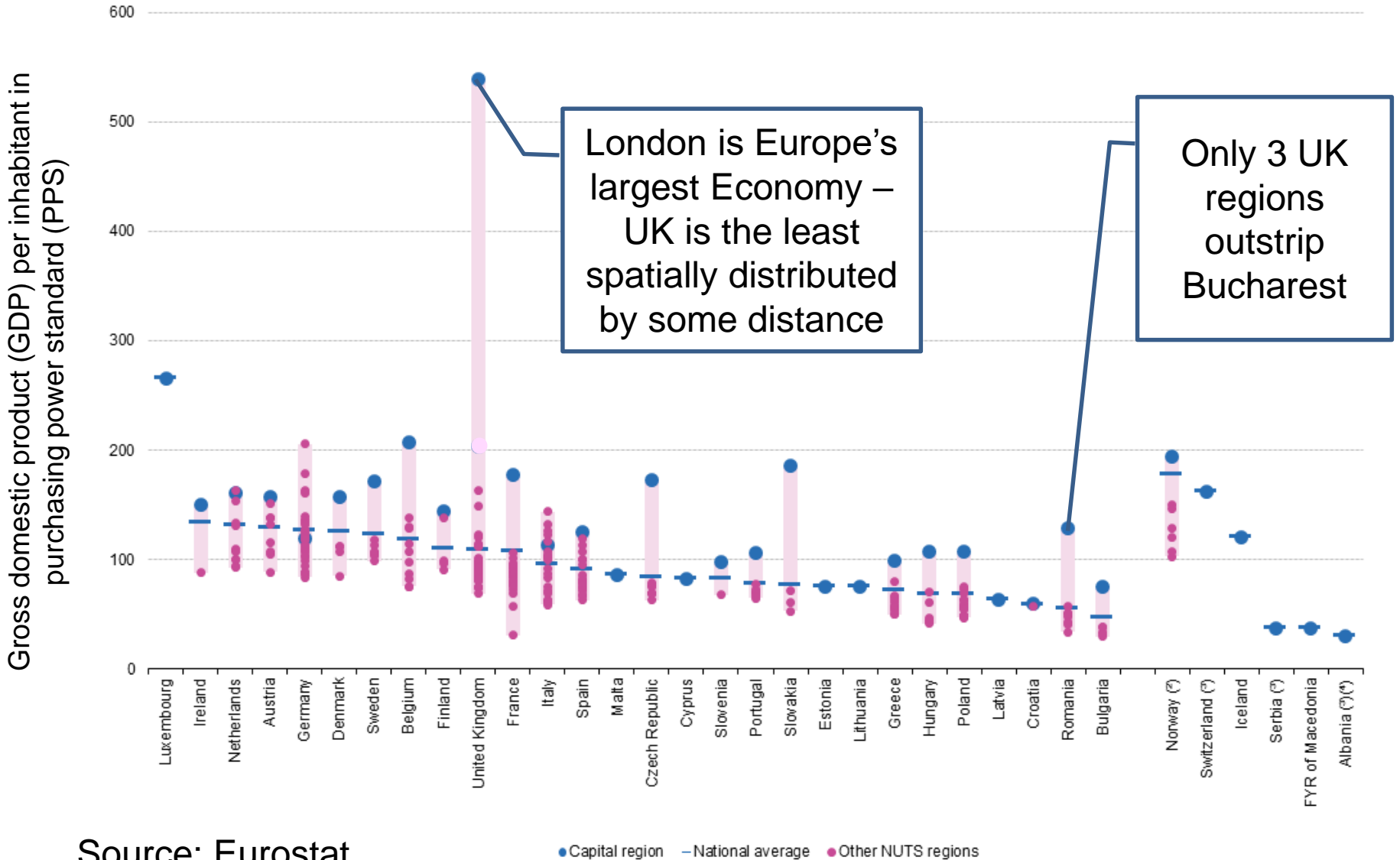
- Some tensions
  - Growth / inclusivity
  - Development / climate impacts
  - Productivity / full employment
  - Intensification / happiness
  - Higher wages / cost competitiveness
  - Property viability / rental levels for business
- Do we want growth?
- What type of growth do we want?

# Regional GVA



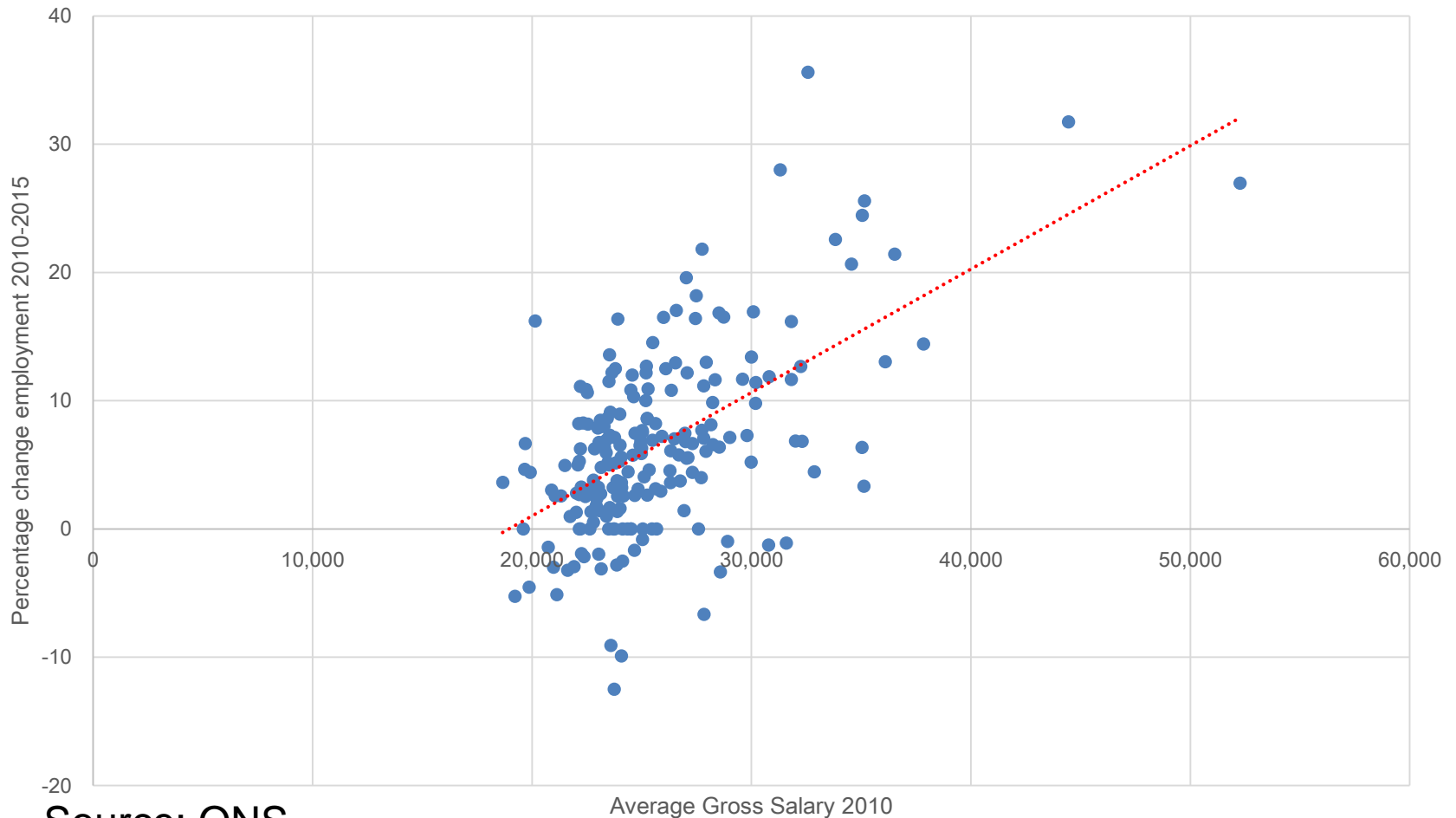
Source: ONS

# The UK is not one economy



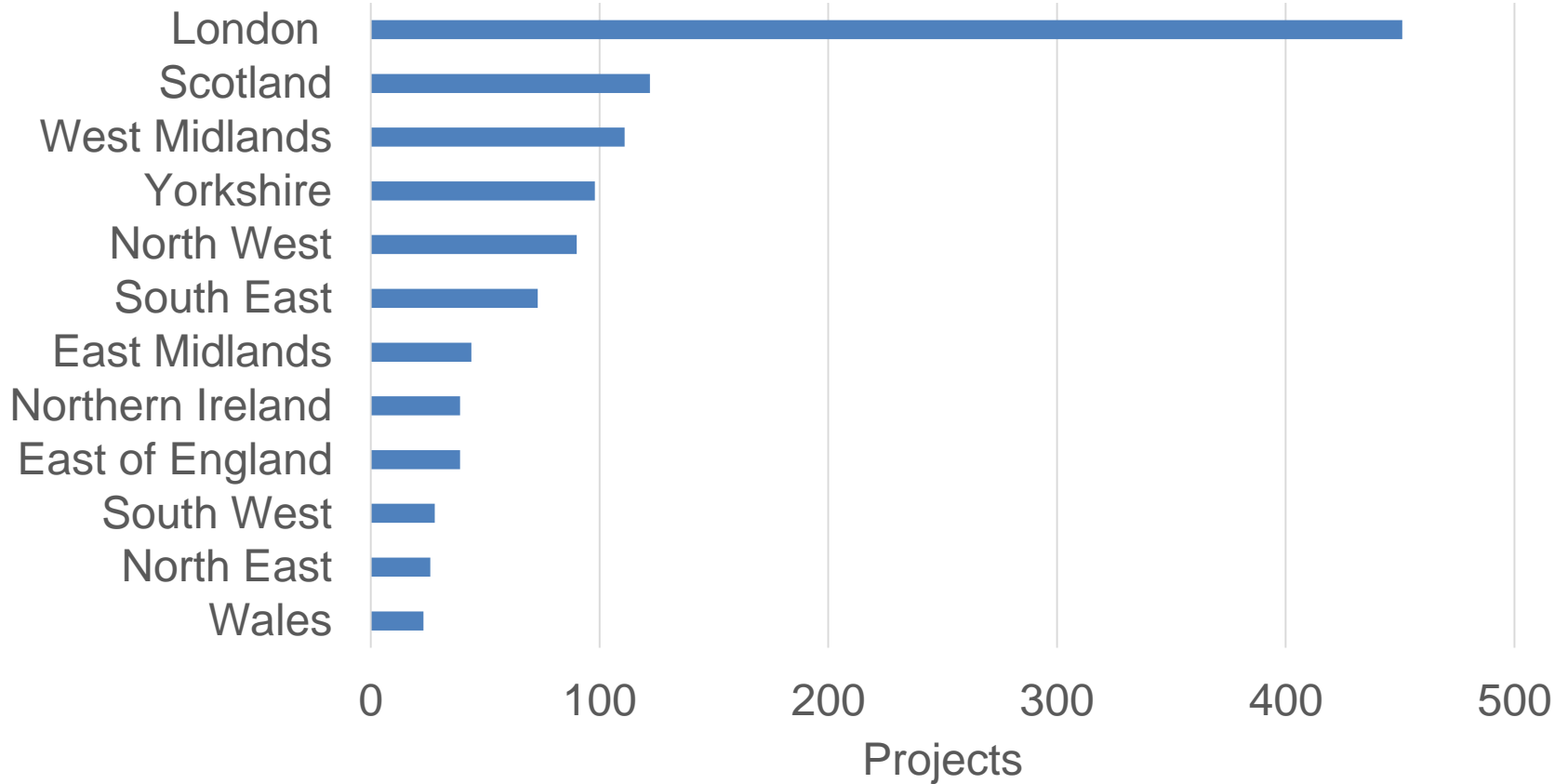
Source: Eurostat

# Employment cost and employment growth 2010-2015



Source: ONS

# Foreign Direct Investment 2016



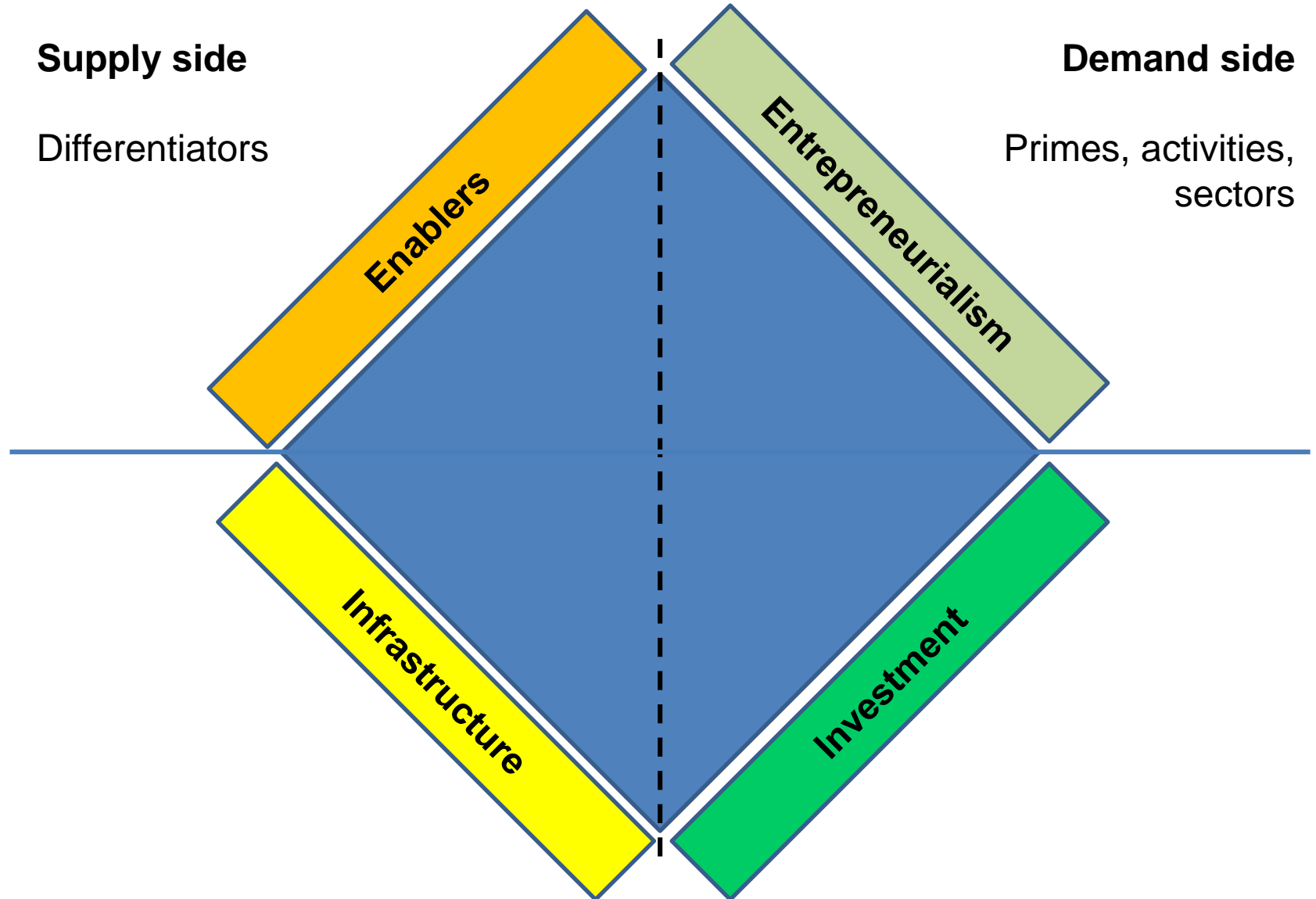
Source: EY Data, UK Attractiveness Survey

# Approach – How to achieve growth

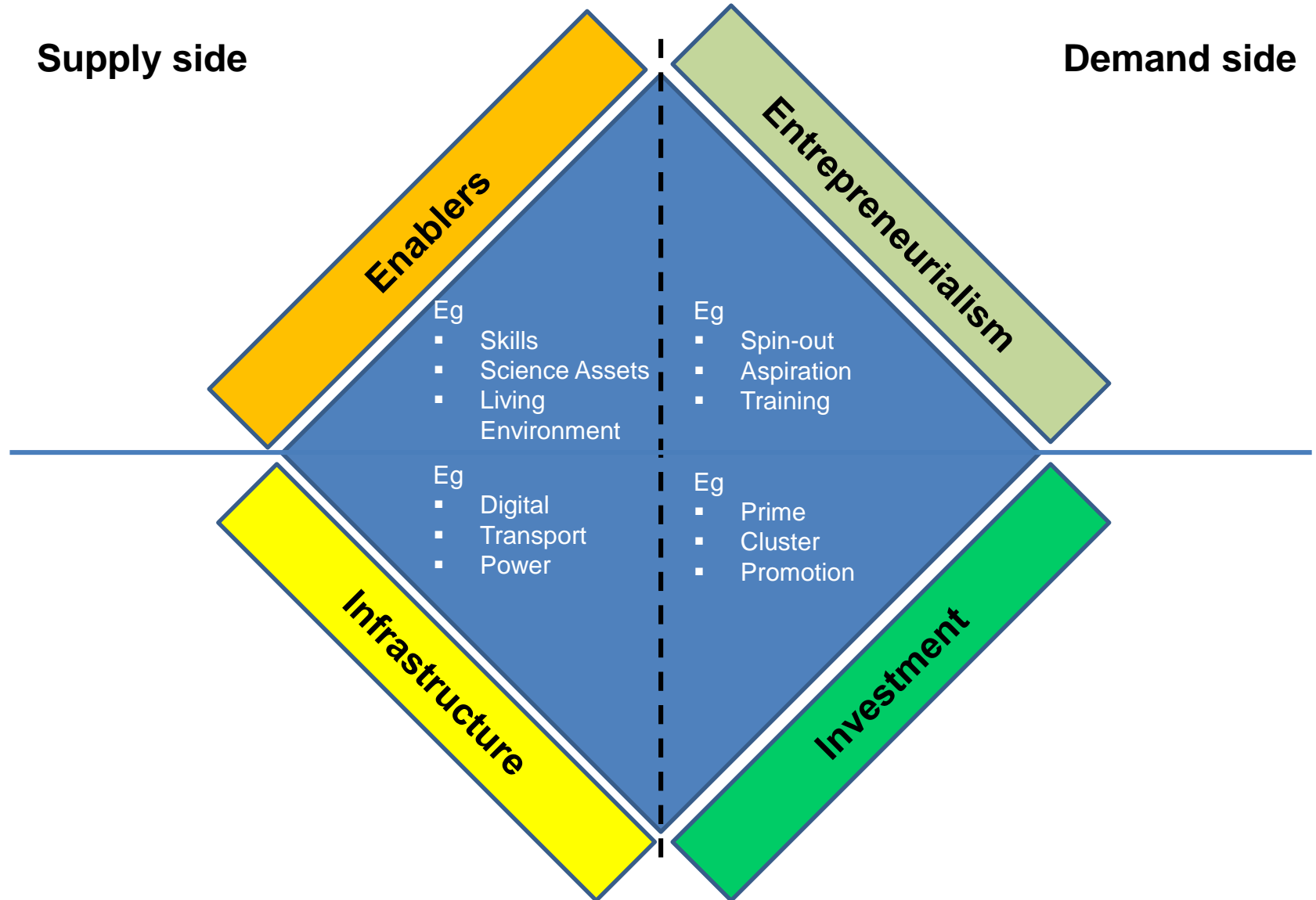
- Not one size fits all
- Play to strengths and position
- There is market failure which requires intervention – left to the market the momentum will worsen imbalances
- Imbalance means scarce resources (and public infrastructure) used unevenly



# Achieving Growth



# Achieving Growth



# Approach – Industrial Strategy

- Evidence based – not a slave to the Industrial Strategy
- The grand challenges will deliver unexpected winners – the enablers are the key.

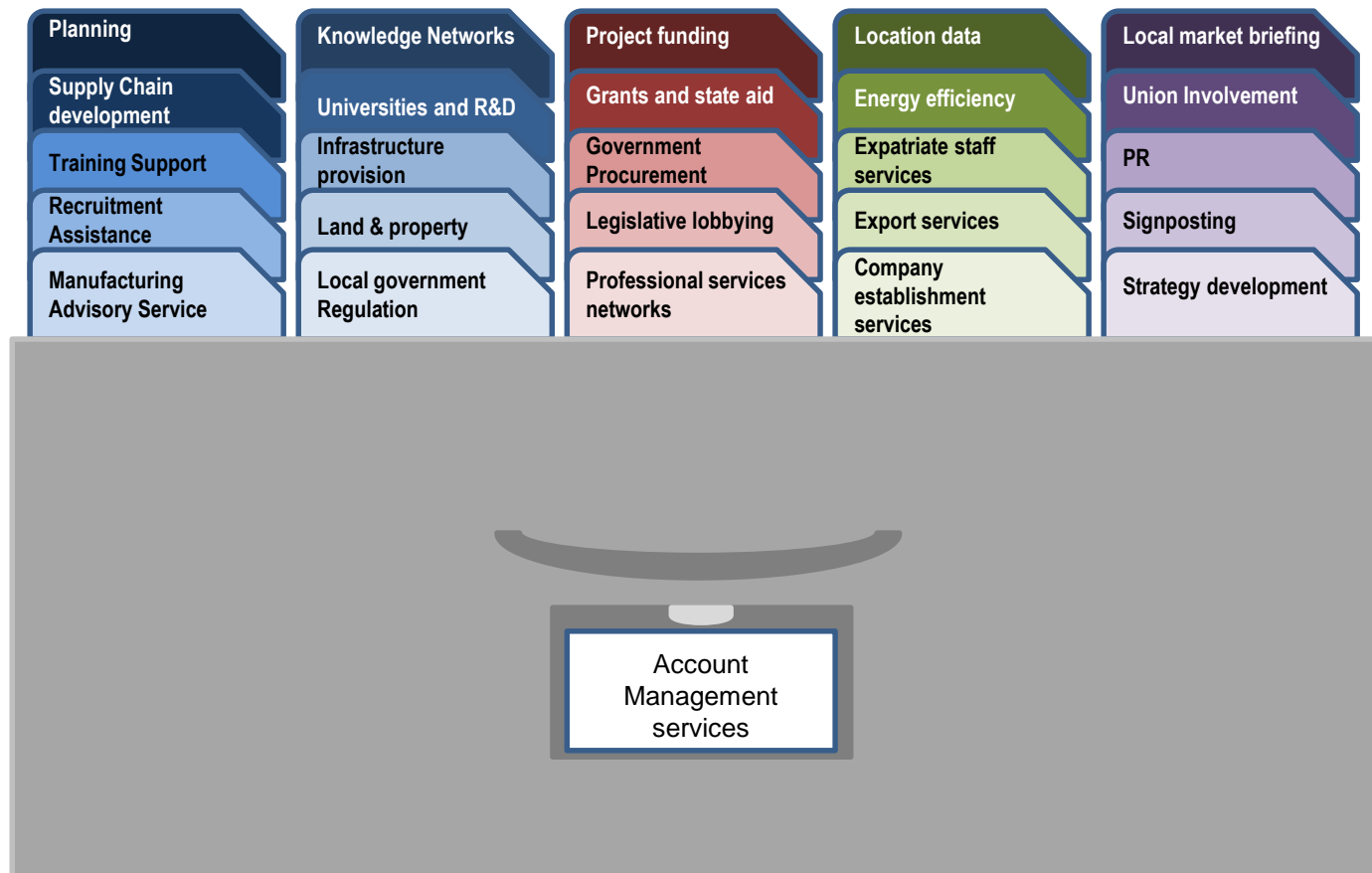
Grand Challenges	Key enablers
AI / Big Data	<ul style="list-style-type: none"><li>▪ First in class data connectivity</li><li>▪ Super computing capacity</li></ul>
Ageing	<ul style="list-style-type: none"><li>▪ Mobile connectivity</li><li>▪ Primary / secondary healthcare connections</li><li>▪ Digital records, capability, willingness</li></ul>
Future mobility	<ul style="list-style-type: none"><li>▪ Charging / fuelling infrastructure</li><li>▪ Transport hubs</li><li>▪ Sharing / ownership models</li></ul>
Clean growth	<ul style="list-style-type: none"><li>▪ Power networks</li><li>▪ Smart systems</li><li>▪ Decarbonised heat</li></ul>

# Primes

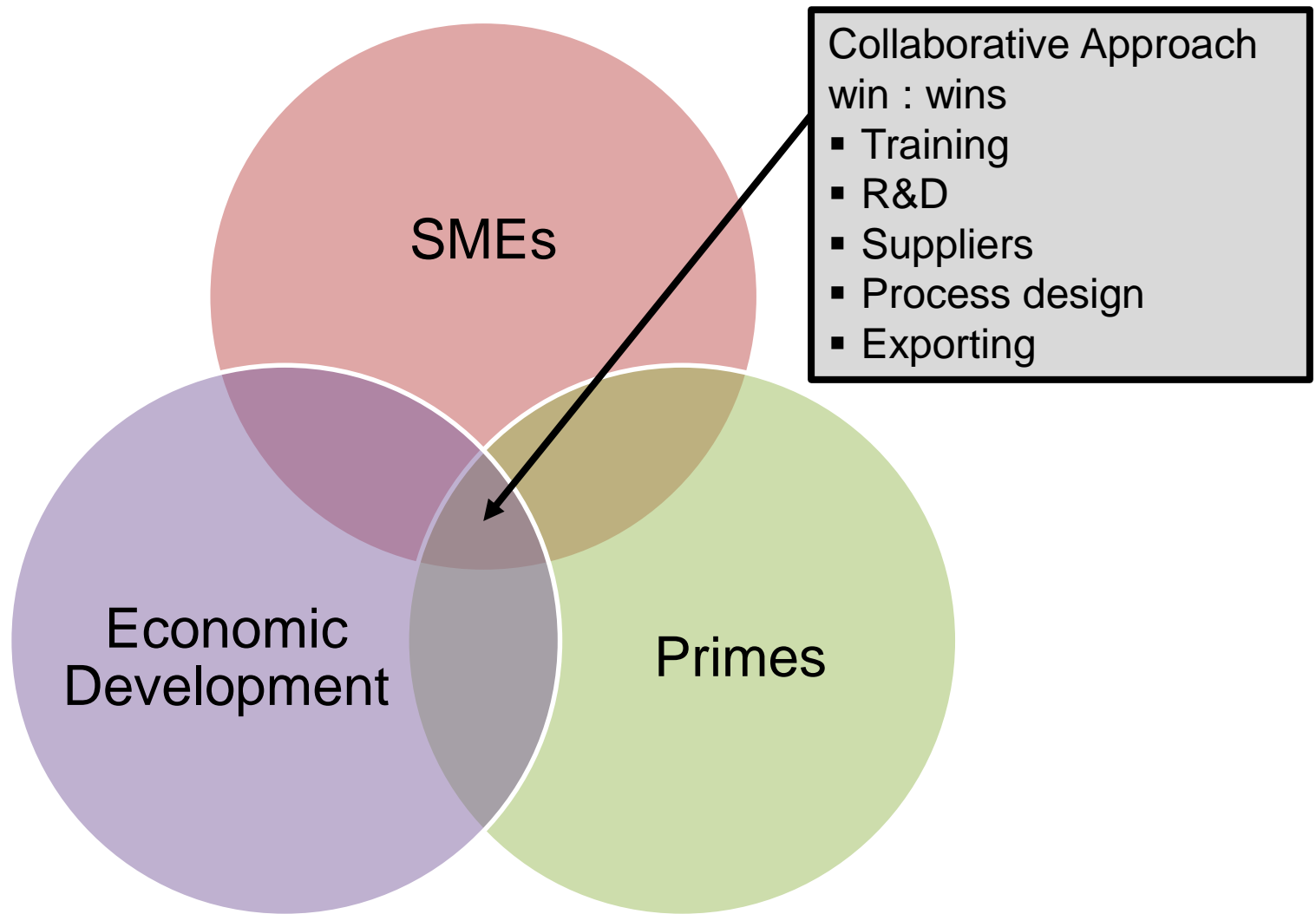
- Top of the supply chain
- Likely to be the larger organisations involved in:
  - Employment & training
  - R&D
  - Suppliers
  - Capital spend
  - Exporting
- Often legislated against in European policy and European programme spend prohibited activity

# Account management of primes

- Account plan for establishing, operational and strategic
- Growth and high performance over ~5 years
- Engagement with wider businesses



# Demand side



# Engagement

- Economic development cannot be undertaken without widescale and effective engagement with business
- Deeply suspicious of those that 'take a more strategic role'

# Process and governance

- Policies need to be clear on exactly how the policy is intended to help growth
- How is the outcome going to be measured
- When and how will the programme be evaluated so that corrective action can be taken if required
  
- Industrial Strategy completely silent on this



# Is the North of England a special case?

	LSOA	Local Authority	Rank (32,844 least deprived)	Region
10	E01023207	Test Valley	32,835	South East
9	E01017880	Wycombe	32,836	South East
8	E01016187	Bracknell Forest	32,837	South East
7	E01023818	Three Rivers	32,838	South East
6	E01023372	Dacorum	32,839	South East
5	E01028400	Rushcliffe	32,840	East Midlands
4	E01022863	Hart	32,841	South East
3	E01016695	Wokingham	32,842	South East
2	E01016676	Wokingham	32,843	South East
1	E01016709	Wokingham	32,844	South East

# Is the North of England a special case?

	LSOA	Local Authority	Rank (32,844 least deprived)	Region
10	E01023207	Test Valley	32,835	South East
9	E01017880	Wycombe	32,836	South East
8	E01016187	Bracknell Forest	32,837	South East
7	E01023818	Three Rivers	32,838	South East
6	E01023372	Dacorum	32,839	South East
5	E01028400	Rushcliffe	32,840	East Midlands
4	E01022863	Hart	32,841	South East
3	E01016695	Wokingham	32,842	South East
2	E01016676	Wokingham	32,843	South East
1	E01016709	Wokingham	32,844	South East

	LSOA	Local Authority	Rank (32,844 least deprived)	Region
32,844	E01021988	Tendring	1	South East
32,843	E01012673	Blackpool	2	North West
32,842	E01012681	Blackpool	3	North West
32,841	E01024657	Thanet	4	South East
32,840	E01012751	Blackpool	5	North West
32,839	E01022025	Tendring	6	South East
32,838	E01012671	Blackpool	7	North West
32,837	E01009585	Coventry	8	West Midlands
32,836	E01012670	Blackpool	9	North West
32,835	E01030258	Waveney	10	East of England

# Thank you and contact

Nigel Wilcock  
Institute of Economic Development  
Unit 214  
The Base  
Dallam Lane  
Warrington  
Cheshire  
WA2 7NG  
Tel: 01925 837679  
Tel: 07747 085400

Email: [nwilcock@ied.co.uk](mailto:nwilcock@ied.co.uk)

Web: [www.ied.co.uk](http://www.ied.co.uk)