

Building Our Industrial Strategy - Consultation Response

Introduction

Working together with our partners across Buckinghamshire, we welcome the opportunity to comment on this Green Paper and to provide direct input into the development of the Industrial Strategy at this important time in our national history. As a partnership we contributed to the BIS Select Committee initial review into the Industrial Strategy in November 2016. We are pleased to see that a number of the points we highlighted are incorporated within this Green Paper.

To provide focus to our response we have concentrated on the 10 pillars of the strategy and highlighted the key issues that have been raised through our business engagement.

Overarching Concerns

The following three concerns emerged through our consultation on the Strategy.

- **London should not overshadow the South East**

Throughout the Green Paper, London and the South East are regularly cited as a single economic region. In practice, they are related but distinct economies, with differing characteristics, opportunities and drivers. A strategy that prioritises place, and that conflates these two regions, risks underplaying the specific needs of the South East – to the detriment of the country as a whole. The growth of London has consistently outstripped the rest of the country, including the South East. Investment in the South East is critical to supporting London's continued global success and to unlocking national prosperity - but that public investment has lagged behind the national average (including London) by 12% per annum in recent years.

- **The Strategy should not only play to strengths and address weaknesses - it should also exploit potential**

The potential of areas like Buckinghamshire in the South East of England has not been fully realised, significant investment in global gateways such as Heathrow Airport will only deliver its full benefit for the national economy if supporting growth packages are targeted at those areas with the assets and capabilities to compete and win at an international level. As the Entrepreneurial Heart of England with consistently high levels of new businesses there is a greater possibility that new disruptive business ideas will emanate from Bucks.

- **Previous industrial strategies have failed on delivery. Successful delivery will depend on good information, engagement and responsiveness**

More than ever before, speed of implementation will be critical to the success of this Industrial Strategy. Changing markets, new innovations and access to the latest knowledge will be essential to the UK delivering the benefits from this strategy. Successful delivery will require a close understanding of the local business eco-system which can only be provided by organisations with a strong local reach. The BTVLEP Growth Hub, Buckinghamshire Business First, is one such

organisation, with a membership and direct relationship with over 9,750 local businesses, reaching almost 70% of the local business workforce.

Key Themes

In addition to the three concerns highlighted above, we make the following observations.

- The **role of Government** is to provide the conditions to support growth and enable the market to take advantage of those conditions. Business wants Government to take decisive decisions and implement them swiftly.
- The emphasis of the strategy should not be wholly be on cities: a more holistic view is needed on where growth can best be supported. Cities are important as connecting hubs but **real growth, measured in productivity per hour worked, often flourishes outside of cities.**
- In government procurement, selection criteria should be based on the **total value to the economy** rather than just the potential cost savings.
- Research is not just undertaken in Universities, but **applied research** in a business environment is equally vital to supporting growth. Support for institutions that are providing the link between academia and business should be prioritised, and for those that develop connections across sectors, i.e. Catapults, BRO's, Growth Hubs and Cluster Groups.
- **Innovation-led SME business growth** should be encouraged; working with universities, further education and business organisations to develop joined-up SME growth support that blends an apprenticeship training and workforce development offer with a focus on the adoption of innovation (e.g. including Big Data, the internet of things, artificial intelligence) to increase efficiency and productivity.
- The legal, cultural, educational and governmental environment should **embrace risk**, making it more attractive for individuals and organisations to invest in businesses, to learn from setbacks, and to adapt to new opportunities.
- **Vocational skills**, especially in STEM subjects should be prioritised; inspiration needs to be from an early age and should be part of a reshaping of the school curriculum around problem solving, innovation and creative thinking.
- The new **Apprenticeship** Levy framework needs to be flexible to work in a SME led economy and to support development and mobility for people both in and out of work throughout their working life.
- **Infrastructure** – roads & rail investment support should not be exclusively for marquee projects, but for local schemes and for the maintenance of existing infrastructure that truly connects the country.
- **Digital infrastructure** – minimum connectivity standards should be made available to all as a standard utility, whilst new international standards in areas such as 5G technologies are developed.
- **Consistency** – constant change is not good for business: support should continue for the institutions making a huge difference (LEPS, Growth Hubs), enabling further collaboration using these building blocks.
- **Measurement**: the green paper's ambition is very broad. Clear metrics should be set out, providing measures of how all places can be supported in reaching their full potential, whilst also achieving more balanced growth and productivity.

These points are expanded upon as part of the individual responses to the 10 pillars of the industrial strategy.

Content and Consultation

This document is being submitted by Buckinghamshire Thames Valley Local Enterprise Partnership (BTVLEP) in conjunction with our local partners. It has been collated following widespread consultation with our local and regional partners. These include: all five Local Authorities in Buckinghamshire; representatives from our 9,750 strong Buckinghamshire Business First Growth Hub membership; our two Universities; and other locally active business representative organisations including the Thames Valley Chamber of Commerce, the Institute of Directors, and the Federation of Small Businesses.

Our wider business community has contributed directly through a series of consultation events, think tank discussions, business leaders sessions, and via newsletter, social media and e-shot appeals over the past two months.

In addition to this submission BTVLEP are also supporting separate responses across a wider economic geography for the Greater Thames Valley Region; as part of the England's Economic Heartland Alliance; and via the LEP Network, the National Growth Hub Network, and sector responses from the British Screen Industry Council and from The Satellite Application Catapult.

The Buckinghamshire Economy

BTVLEP is a business-led 'partnership of equals' building the conditions for sustainable economic growth in the county.

Our primary objective is very simple, helping companies to grow and secure customers in local, national and international markets. Our purpose built business Growth Hub, [Buckinghamshire Business First](#), is a major strength - representing a membership of 9,750 including almost 70% of the local workforce and is helping make Buckinghamshire one of the best places to start, run and grow a business.

The Buckinghamshire economy is at the heart of the golden triangle of Oxford, Cambridge and London., This area has been recognised by the National Infrastructure Commission as having the potential to be the UK's Silicon Valley, but only if the recent trend of restricted infrastructure investment into the area is reviewed. Though our productivity levels are impressive, with the GVA per hour of our economy being 15.6% above the national average, there is significant scope for improvement if you compare our economy to international benchmarks, particularly in our near European neighbours in France and Germany.

We have sought to build on the core strengths within our economy and capitalise on world leading locations and brands. In the Creative Industries sector, Pinewood Studios, with the backing of BTVLEP and neighbouring LEPS, is currently doubling in size, but such is the desire to use the UK's world leading film, TV and screen production output demand still outstrips capacity., We are backing the talent pipeline to continue the amazing growth in the sector, providing direct investment in projects such as the National Film and TV School at Beaconsfield. Silverstone Motor Racing Circuit is the heartbeat of a growing set of high performance technology and motorsport businesses, the [Silverstone Technology Cluster](#), that is globally unique as the international team home of Formula 1. New space and satellite propulsion technologies and 5G testing facilities are

being developed at another former air-force base at Westcott; a site that is transforming into a national hub for science and technical collaboration between business and academia.

Over the past 12 months Buckinghamshire has developed a new framework for skills delivery in the county, bringing business and training providers closer than ever before. Our Growing Places Funding has helped transform the town centres of High Wycombe and Aylesbury. We have connected many thousands of local homes and businesses via superfast broadband with some of the highest take-up figures in the country.

Having secured Buckinghamshire's first ever Enterprise Zone allocation for Silverstone Park, Westcott Venture Park and the Arla/Woodlands site, swift progress has been made on developing the 3 sites and attracting major new investment in high growth sectors for the UK Economy. The Aylesbury Woodlands project is being promoted by our delivery arm, Buckinghamshire Advantage, advancing development on a key strategic site that has lain dormant for decades, and providing over 200ha of high quality sustainable development - including the largest new employment site in the South East of England.

We have used BTVLEPs powerful voice to ensure that business critical infrastructure such as East-West Rail, the Oxford Cambridge Expressway and the expansion of Heathrow airport are delivered on schedule. We continue to make the case for equally important but less high profile infrastructure that connects businesses at the heart of our community.

www.btvlep.co.uk

1. Investing in science, research and innovation – we must become a more innovative economy and do more to commercialise our world leading science base to drive growth across the UK.

Innovation = Connections

Successful innovation comprises a number of linked elements (idea generation, concept development, product development, and commercialisation). The links are as important as the elements themselves, and should be prioritised in the UK, where they have been given insufficient attention. This means:

- enabling private sector led local cluster development, supporting a local hot-housing of ideas and their exploitation, whilst avoiding the adverse impact that can follow from top down public sector cluster programming (local examples include Pinewood Studios Media Hubs, home to over 200 businesses; the Silverstone Technology Cluster; the regional innovation networks and Buckinghamshire's space/life sciences and med tech links);
- investing in accessible industrial fellowship programmes, which link the high value industry agglomerations that exist in Buckinghamshire with the key research infrastructure that exists locally and the nationally;
- creating the right networks and infrastructure so that new technology created in places of big science such as Oxfordshire results in new manufacturing facilities close by in Buckinghamshire;
- designing science R&D facilities along a public-private 'Open Innovation' model, enabling the facilities created to be used for a range of basic and applied research by academia and industry.

Innovation = risk

The majority of innovative projects may not succeed. Managing innovation is managing risk. We should create an environment in which the risk is both reduced and made easier to take. This means:

- routing innovation and commercialisation funding through locally engaged business-led organisations that are connected to both business and academia and which understand how to take commercial risk;
- using financial incentives appropriately to make pursuing STEM career pathways more attractive.

2. Developing skills – we must help people and businesses to thrive by: ensuring everyone has the basic skills needed in a modern economy; building a new system of technical education to benefit the half of young people who do not go to university; boosting STEM (science, technology, engineering and maths) skills, digital skills and numeracy; and by raising skill levels in lagging areas.

Engaged Learning

Too great a gap has opened up between the worlds of education and work, between the skills sector and a sector's need for competent people. The existing approach incorrectly assumes that we can accurately model future labour market requirements. Too much focus is given to the subject matter learnt, rather than the process of learning. We should put a priority on developing the ability to learn. This means:

- reshaping the school curriculum around problem solving, networking, and the importance of enterprise and failure in real life contexts;
- ensuring that the mechanisms are in place to ensure, in a mixed market economy, that the curriculum can be influenced in this way and that free schools are stimulated to give appropriate priority to technical skills and STEM subjects;
- integrating careers advice and work experience into education from primary level, using thematic learning and everyday life at school to build knowledge and attitudes to work from an early age;
- taking STEM education directly into school clubs, promoting strong role models so that technical vocations are not seen as second class, using funding levers to require bigger organisations and hubs (hospitals, business catapults, national centres, schools themselves) to engage and inspire people of all ages;
- Strengthening the emphasis on design and technical skills and the direct involvement of business in primary education;
- Strengthening the network of Science Centres across the UK, to drive STEM enrichment activities;
- Strengthening the local links between business organisations and higher/further education, to create a more responsive, engaged and aligned system for advanced skills development, work placements and two-way innovation transfer;
- encouraging SMEs to work with universities, business organisations and the LEP to up-skill existing employees;
- Freeing up the skills system from central government control and placing specialist technical trade associations front and centre of the vocational skills system.

Buckinghamshire Skills and Employability Programme

The Buckinghamshire Skills and Employability Programme is committed to improving engagement between employers and skills & education providers and is focused on inspiring young people and helping them understand the relevance of their education. The Buckinghamshire Skills Hub is highly instrumental in helping local businesses reach students and help prepare them for the fast-changing world of work.

The programme of activity (including educational visits by our army of volunteer business Careers and Enterprise advisors, meaningful work experience and placement opportunities, special work showcases, competitions and conferences) is all co-ordinated in a simple but comprehensive online resource www.oppsinbucks.org

The Learning Investment Model

Over a working lifetime, a skilled individual adds value to multiple organisations. In Buckinghamshire's small firm economy, expenditure on skills must be a collective investment. We should focus on creating the conditions that encourage an appreciation of that collective return. This means:

- Allowing flexibility in the way large employer levy payments are used, extending the supply chain allowance beyond 10 per cent and loosening the criteria for firms eligible to benefit from another payer's levy;
- Rethinking the way that funding supports lifelong learning:
 - the current loans system needs redesigning, as people are currently asked to add to their student debt at the stage of life when their budgets are tightest;
 - unspent levy payments for an area could be used by other businesses to support their skills needs.

3. Upgrading infrastructure – we must upgrade our standards of performance on digital, energy, transport, water and flood defence infrastructure, and better align central government infrastructure investment with local growth priorities.

National Infrastructure Enabling

Infrastructure is the key enabler for industry. At a national level we need a strong framework with top down investment in the key leverage points. This means:

- focusing on the timely delivery of major projects including East West Rail, the Oxford to Cambridge Expressway, and Heathrow;
- placing the National Infrastructure Commission on a statutory footing to ensure it achieves its ambitions for a long-term policy framework with appropriate action;
- including digital infrastructure as a critical component for all development (e.g. requiring broadband connectivity to be installed at construction in all new buildings);
- recognising, including through the planning system, that studios are a key infrastructure requirement of the creative industries, and that growing global demand creates significant opportunities for expansion in studio and production facilities, resulting in increased exports, investment and job creation;
- unlocking the potential of the Oxford to Cambridge arc by giving appropriate delivery powers to England's Economic Heartland Strategic Alliance.

Local/Regional Enabling

The infrastructure pillar offers a new commitment to use “infrastructure to support rebalancing”, taking account of the balance of spending per head between different regions. The South East has the lowest spending per head of any UK region, 12 per cent below the national level. Given the region's contribution to the national economy, and the potential for economic growth currently being suppressed by the underinvestment, rebalancing is required. This means:

- Increasing infrastructure funding to the region;
- Rebalancing the tension between infrastructure and environment to allow for speedier decision making.

4. Supporting businesses to start and grow – we must ensure that businesses across the UK can access the finance and management skills they need to grow; and we must create the right conditions for companies to invest for the long term.

Sector-specific Support

The best industrial policies allow winners to pick themselves. This will only happen if government achieves the right market conditions and environment for growth, and builds supporting activities to help potential winners to thrive in a competitive environment. Different sectors are at different stages of growth and maturity, and require quite different support to enable winners to thrive. The UK economy might achieve a good socio-economic return from supporting a mature sector like automotive with a relatively low risk approach at a national level - but would need to be much more locally engaged and failure-tolerant in supporting new and emerging sectors.

National Business Enabling

The UK therefore needs a coherent set of interventions for some sectors, and an enabling framework for business generally. This means:

- identifying and acting on key leverage points in the key high maturity/low risk national sectors;
- utilising the tax system to incentivise business to invest for the long term;
- improving the 'flow down' of data from the Intellectual Property Office, to ensure information about patent registrants is passed to the local level;
- overseeing the funding and nature of local business enabling arrangements.

Regional/Local Business Enabling

To create the conditions in which business winners pick themselves, the enabling organisations need to be risk-tolerant - as well as being able to contain that risk by being commercially astute and well-informed about markets, clusters and individuals. This means:

- strengthening and securing the network of business-led Local Growth Hubs;
- establishing a portfolio of activities, aligned with the maturity and risk profile of the focal sectors in an area; and provided on a limited and competitive basis principally through expert practitioners;
- investing in local market intelligence capabilities;
- using the above to encourage investment in business growth, including local cross-investment, by improving the ease with which businesses can become investment ready and access the finance they need to grow;
- improving the alignment of the skills system to ensure it is better placed to deliver against local labour market needs;
- mounting a concerted campaign of events to promote design, technology and innovation to young people;
- improving the ease with which businesses can find publicly funded technology research which is relevant to their business.

A Community of Businesses

Businesses do not just exist in sectors, but in places, and in value chains, and in loose alliances. Directors from different sectors may be neighbours, possible co-investors, counsellors to each other. The stronger these lateral linkages, the more successful will be the local economy overall. We must strengthen this community of local business. This means:

- developing more active regional and local policies for promoting collaborative entrepreneurship, business investment and share ownership;
- extending the role of Local Growth Hubs, such as Buckinghamshire Business First, which: (1) have a key role to play in helping those businesses with an ambition to grow to navigate the various forms of support available to them; and (2) therefore need to be firmly embedded and recognised as the 'go to' resource for such businesses.

Buckinghamshire Business First

Buckinghamshire Business First (BBF), the Growth Hub for Buckinghamshire, is a not-for-profit organisation that works in partnership with key stakeholders to co-ordinate business, innovation and trade support within Bucks. The mission of the organisation is to foster the conditions that encourage businesses to invest, grow and thrive.

BBF has unparalleled reach into Buckinghamshire's business community and has a unique insight into the issues and challenges acting as barriers to growth. It is regarded as an honest broker in terms of the provision of advice, support and guidance to drive business growth.

Of the 33,000 businesses in Buckinghamshire 9,750 of them are BBF members, with 56% of these businesses actively engaged with BBF activity last year. Almost 70% of the private sector employee base is employed within businesses who are members of BBF.

In the five years since its inception BBF has played a significant role in ensuring the local economy has seen significant growth in GVA and job openings, and a reduction in the claimant count.

	April 2012	January 2017
JSA Claimants in Bucks	6,321 (2%)	2,820 (0.9%)
JSA Claimants aged 18-24	1675	440
Job Openings	2,486	5,990
GVA	£13.5 billion	£14.8 billion

5. Improving procurement – we must use strategic government procurement to drive innovation and enable the development of UK supply chains.

Government expenditure on services and projects is a significant part of the economy. That spend could be used better to strengthen the industrial base as well as to provide public goods. Purchasing decision should be taken on the basis of *total value added to the economy*, rather than a cost reduction basis. The removal of EU procurement rules will make this a real possibility.

It is not clear that a move to strongly centralised procurement by government departments will deliver this outcome. A heavily centralised purchasing system can undermine local effectiveness, leaving e.g. surgeons feeling unable to perform at their optimum. It also tends to result in a smaller number of large contracts being let, which disadvantages start-up or smaller players. On the other hand, a lack of coordination can lead to a plethora of poor quality supply, high cost of sales for providers, and an unnecessarily large public spend. We need a government commercialisation approach that optimises the total economic value of the system as a whole. This means:

- recognising that much innovation is initiated by smaller companies, then driven to scale by their partnership or acquisition by bigger companies;
- establishing a procurement process that requires government suppliers to have an active second tier innovation support process and, in support of this, a predetermined percentage of the contract that flows through to that second tier and beyond into the supply chain;
- positioning Growth Hubs to support local engagement in national procurement and in ensuring that opportunities are extended down through the procurement supply chains.

6. Encouraging trade and inward investment – government policy can help boost productivity and growth across our economy, including by increasing competition and helping to bring new ways of doing things to the UK.

Team UK

After Brexit, it will be vital that businesses have additional close support to enable them to continue exporting at current or higher levels and to give new exporters the confidence to trade internationally. This support must be focused in a way that delivered the best returns. This means:

- ensuring specialist advisors have a wide and flexible range of products and programmes available to business;
- building an internationally respected brand to replace UKTI;
- prioritising high-growth industries, such as health care, aerospace and green energy;
- continuing to promote Britain's world leading brands – e.g. Pinewood, Silverstone;
- supporting scale up business leaders to learn from the best internationally by better utilising strong links established through academia;
- maintaining our European links;
- measuring the impact of FDI on export growth.

Inward Investment

The Industrial Strategy appears to give too little emphasis to inward investment. Inward investment brings new technology, new ways of working and can drive exports. Its importance, and the resources required to support it, should not be underestimated. More local approaches to trade and inward investment activities are to be welcomed; however the current geographic categorisation (of Northern Powerhouse, Midlands Engine, and London and Southern England) is too crude and is likely to disadvantage southern areas outside London, where inward investment successes do not reach London levels.

Heathrow

For trade flows in both directions, it is crucial that the country capitalises on the investment in Heathrow; that the development of the 3rd runway is swiftly developed; and that the surface transport connectivity to this international hub is significantly enhanced.

7. Delivering affordable energy and clean growth – we need to keep costs down for businesses, and secure the economic benefits of the transition to a low-carbon economy.

National Energy Infrastructure

UK government needs to invest in national infrastructure innovation projects that provide a source of competitive advantage for UK businesses. From a clean growth perspective, this means:

- Developing a nationally significant energy infrastructure that delivers efficiency, low waste and security of supply.

Local Energy Enabling

We need to create an environment in which businesses are motivated to invest in energy efficient product development, and in energy use reduction. For small businesses, the incentives to invest in anything other than property are very limited. To address this means:

- maintaining funding for Low Carbon initiatives and other environmental schemes currently funded by the EU;
- changing tax incentives to capital and process investment.

8. Cultivating world-leading sectors – we must build on our areas of competitive advantage, and help new sectors to flourish, in many cases challenging existing institutions and incumbents.

BTVLEP believes that the important debate to have is not about whether to focus on sectors or not, but what are the right policy interventions to support the strengthening of our key sectors. BTVLEP believes that an effective Industrial Strategy needs to adopt an effective approach to both Horizontal (e.g. skills, infrastructure, business support) and Vertical (e.g. specialist R&D facilities) issues.

Horizontal Enabling

All businesses need a range of good conditions to thrive. Industries need finance, skills, access to markets, stable economic and regulatory environments, and good quality infrastructure. The traditional model for investing in sector excellence has favoured investment in the international, national and institutional ‘excellence’ model and constrains the widespread take up of STEM skills and the adoption of R&D/Innovation in the public and private sectors. This means:

- Infrastructure Investment in Science R&D facilities should follow a stronger public-private ‘Open Innovation’ model, enabling the facilities created to be used for a range of basic and applied research by academia and industry;
- using financial incentives appropriately to make pursuing STEM career pathways more attractive;
- enabling and supporting the growth and development of regional sector networks; supporting investment in new activities in targeted industries (for example autonomous vehicles, digital health); and encouraging investment in new industries (for example ‘green energy’).

Vertical Enabling

The Science and Innovation Audits look like an ideal methodology for determining which industrial capabilities should be supported. Many national sectoral partnerships have lacked deep reach out into the business community and have generally not been equipped to drill improvement down the supply chain. The optimum approach combines in-depth sectoral understanding with high levels of local engagement. This means a region must develop and invest in a small number of key sectoral points of focus.

For Buckinghamshire, we are focused on those sectors possessing a sustainable local source of competitive advantage, including;

- Film, TV & Games;
- Space & Satellite Applications;
- High Performance Technologies;
- Healthcare and Life Sciences (including agri-food and drink) sectors.

Sector Strength – Film, Screen & Creative Industries

Buckinghamshire has an exceptionally strong focus in the creative and cultural industries, with a number of nationally significant facilities like Pinewood Studios, the National Film and Television School, and Buckinghamshire New University located in the county.

The creative industries in Buckinghamshire provide circa 16,000 jobs in 3,800 businesses. At 7 per cent, Buckinghamshire has the highest proportion of employment in the sector of all county council areas and the third highest proportion among the 38 Local Enterprise Partnerships.

- BTVLEP supported the £200m expansion programme for Pinewood Studios, doubling the size of the studio and driving the UK's growth in the UK's screen, film and TV production capacity. The expanded studios are already operating at capacity and provide home to over 200 businesses operating across the creative industry sector.
- The National Film and Television School was backed with a £1.3m Local Growth Fund grant to develop their facilities at Beaconsfield to include the world first 4k studio available in a film school and to develop new specialist masters and professional development programmes.
- Growing Places Funds were used to support the establishment of the world's first E-Games Association and support an international showcase at the Rio Olympic Games in 2016;.
- Buckinghamshire County Council introduced a pioneering policy to ease filming on public land and highways, making Buckinghamshire one of the most filmed counties in England.

9. Driving growth across the whole country – we will create a framework to build on the particular strengths of different places and address factors that hold places back – whether it is investing in key infrastructure projects to encourage growth, increasing skill levels, or backing local innovation strengths.

The South East is complementary to, but distinct from, London

We agree that a modern industrial strategy should have “recognition of the importance of place at its heart”. However, the focus of this section of the Green Paper seems to be primarily focused on “cities, towns and areas whose performance has been lagging to close the gap” rather than on realising the Green Paper’s overall objective of “driving growth across the whole country”.

The section begins by stating most places outside London have productivity below the national level before going on to note that “regional cities, and areas can be as prosperous as the capital”. In fact, productivity in the South East has fallen relative to the national level since 1997, with London (rather than London and the South East), pulling away from the rest of the country.

In Buckinghamshire, although productivity is high at 15.6 per cent above the national level, growth has failed to match the national rate in 8 of the last 11 years. That is to say that one of the country’s strongest local economies has fallen behind the national economies of France, Germany and the US in recent years. Whilst not denying the importance of raising productivity across the Northern Powerhouse and Midlands Engine, a strategy that aims to exclude parts of the South East due to their proximity to London will fail in its objectives to make the most of the diverse strengths of all of the UK’s cities and regions. This means:

- The government’s analysis should separate out the South East from London, to allow for a clearer understanding of the different challenges faced by the two regions. As reported by the House of Commons Library, public spending per head is lower in the south East than in any other region in the UK, at 12 per cent below the nation level;
- The approach to investment by place needs further analysis together with a clearer appreciation of whether productivity or economic growth is the primary driver for deciding where to invest;
- The section prioritises skills - however a focus on occupations, to strengthen the demand-side, should also be applied. This can be addressed through the themes set out in procurement and inward investment;
- There should be recognition that cities are not the only driver of economic success: the Silicon Valley and the Oxford to Cambridge corridor are strong counter-examples.

Buckinghamshire Advantage

Our delivery vehicle Buckinghamshire Advantage (BA) has accelerated the development and delivery of a variety of projects and schemes, including the Aylesbury Woodlands mixed use development covering over 200ha of employment led development to the east of Aylesbury, providing much needed new road infrastructure and supporting the growth of the Aylesbury Garden Town programme. BA has also backed the advance development of the Aylesbury Vale Parkway Train Station, helped enable the Aylesbury Waterside and Handy Cross development in High Wycombe, and is now rocket fuelling investment into our Enterprise Zone sites.

This innovative delivery arrangement at the heart of the BTVLEP structure helps our economy develop sustainably and ensure that local growth funds are invested wisely for the long term economic benefit of the county. www.buckinghamshireadvantage.co.uk

10. Creating the right institutions to bring together sectors and places – we will consider the best structures to support people, industries and places. In some places and sectors there may be missing institutions which we could create, or existing ones we could strengthen, be they local civic or educational institutions, trade associations or financial networks.

For sustained economic success, the enabling institutions need the following characteristics:

- to be strongly engaged with the business base;
- to have a focused, return-on-investment approach;
- to be catalysts for networks of local cooperation;
- to be in it for the long haul.

BTVLEP is built on an inclusive hub of 9,750+ businesses; brings academia, business and the public sector together; and has a strong track record of focused interventions in support of productivity and growth.

The Buckinghamshire Business First Growth Hub has paid particular attention to ensuring that its services align and complement those of existing business relationship organisations including the Chambers of Trade and Federation of Small Businesses. As such it has been particularly successful in delivering an effective first point of contact for local businesses. Support for more such alignment is needed. For continued growth of our creative industries in global markets, the various bodies representing them need to work more closely with the Local Enterprise Partnerships to avoid not only costly duplication but, more importantly, to achieve greater leverage.

The key priority is not to identify missing institutions, but to ensure the on-going responsiveness and sustainability of existing arrangements. This will be achieved by: (1) supporting the growth of sub-regional federations; (2) refining structures to deliver the vision already set out in the strategic economic plans; and (3) maintaining sufficient organisational flexibility to adapt to evolving markets and sectors.

Aylesbury Vale Enterprise Zones

In November 2015, BTVLEP, Buckinghamshire County Council and Aylesbury Vale District Council secured Enterprise Zone status for three strategic sites in Aylesbury Vale at Silverstone, Westcott Venture Park and Arla/Woodlands. EZ status came into effect on 1 April 2016.

Having already agreed a simple but effective governance structure, using the existing Buckinghamshire Advantage framework, attention swiftly turned to the implementation plan to support development on each of the 3 sites. This identified the delivery of critical energy capacity as well as road and digital infrastructure needed to advance investment. As a result of this advance investment and planning, 125,000m² of new employment space has already been developed at Silverstone, Westcott has been selected as the home for both the National Space Propulsion Catapult, and an innovative new 5G test facility and planning permission has been sought for over 200ha of development at the Woodlands site. www.aylesburyvaleez.co.uk

Appendix: Our Strategic Context

The Buckinghamshire Strategic Economic Plan was refreshed in 2016 and aims to deliver the following vision:-

the Buckinghamshire economy will be a vibrant, balanced and resilient economy, underpinned by innovative, high-value, globally-orientated firms.

BTVLEP are creating the conditions that support our business to compete more effectively in the Global Race. The Strategic Economic Plan will aim to do this by supporting four main strategic priorities

- **Business Growth & Innovation**
- **Skills and Talent**
- **Connectivity**
- **Town Centre Regeneration**

We are pleased to see that the first three of these priorities are integral to the Industrial Strategy framework. On a sub-regional level we would also like to draw attention to the development of the [England's Economic Heartland Alliance](#) whose priorities include East West Connectivity, the development of transport hubs and last mile connectivity for urban areas as part of a sub-regional transport strategy, and the National Infrastructure Commission's recognition of the Cambridge-Milton Keynes-Oxford corridor as the UK's potential Silicon Valley. [National Infrastructure Commission Oxford to Cambridge Interim Report](#)

In a national context the response to the Industrial Strategy must also reflect the other significant policy announcements from government, notably:-

[The Plan for Britain](#) with its four pillars of supporting a Global Britain, a Stronger Economy, a Fairer Society and a United Nation. This document sets out a wider vision for a more confident and independent nation post Brexit and supports the development of economic opportunity wherever that may arise in the country, not in predetermined locations.

[Plan for Productivity](#) - *Fixing the Foundations Creating a More Prosperous Nation*. This was in many ways the precursor of the Industrial Strategy; its main aim being to narrow the gap between the UK's productivity and that of the most prosperous international nations, a theme we would fully endorse given the economic potential of the Buckinghamshire Economy.

[Housing White Paper](#) - *Fixing our Broken Housing Market*. The recent Housing White Paper supported the much needed housing growth essential to supporting a buoyant economy. As a Local Enterprise Partnership we are more concerned with the implementation of local plan housing targets than just the setting of targets. We have sought to highlight within this response examples of where we have already intervened through the [Bucks Advantage](#) local delivery vehicle to ensure delivery, and where similar approaches should be encouraged elsewhere.

We welcome the inclusion of the Creative Industries as a sector within the Government's industrial strategy, alongside other sectors in which governments have traditionally played an active role. Given the scale of contribution made by creative industries to the life and economy of the nation, the case for government prioritisation in the Strategy is compelling.