

Recommendations

- **A renewed relationship is needed between Local Economic Anchors (LEAs) – an area’s major employers or wealth creators – and “place” to deliver local economic success.** This must recognise a new way of working through the Local Industrial Strategy (LIS) to address challenges specific to economic anchors including the potential for “doughnut economies” to develop.
- **To deliver this renewed relationship, a *productivity deal* should be forged with economic anchors to deliver the LIS and prosperous communities.** Effectively forming a new social contract with business, this will balance increased productivity with place prosperity. It would be implicit not regulatory and at its simplest a commitment to shared objectives.
- **Strategic authorities should lead *productivity deal* conversations with LEAs,** spearheading the wider place offer to business while respecting the statutory responsibilities of public sector partners, including where LEAs have responsibility for LIS. Strategic authorities and local public sector partners are LEAs in their own right and should also lead by example.

Building place prosperity

- **LEAs should develop *skills supply chains*** to provide appropriate skills and people to support economic growth, ensuring support at primary stage through to application in the workplace, with greater investment in local institutions and the local education offer.
- **The new relationship with LEAs should build place prosperity and community prosperity reflecting wider social and housing needs.** Through LIS, a more granular approach is required to community investment addressing major but, sometimes hidden, issues affecting business productivity including social mobility, housing and public health. In building social prosperity, it must go further than GVA and jobs.
- **The increased stake of businesses in place prosperity through increased business rate retention should be recognised, re-setting their relationship with councils.** Where there is appetite to supplement business support, Business Improvement District (BIDs) should be encouraged. Government should also enable Property Owner BIDs, promoting landlord communication and investment as part of new menu of business and place engagement including the potential for a growth dividend.

Supporting business productivity

- **Place support to business should be built around the 5 foundations of productivity,** recognising that LIS is the local manifestation of national Industrial Strategy. It should support both Sector Deals and Grand Challenges to access national opportunities and funding.
- **Devolution to non-metropolitan areas of spatial planning and skills should be an urgent priority for Government.** A step-change is needed in devolution in non-metropolitan areas. The Apprenticeship Levy should be retained locally.

Making it happen

- **Local businesses should report against a balanced scorecard of qualities of economic anchors** in support of LIS, building business productivity and place and social prosperity.
- **Strategic councils should forge a renewed role in economic development as a broker, enabler and facilitator of growth.** This role should be recognised in local council funding. In delivering LIS, strategic authorities should target opportunities, support and interventions to LEAs.
- **LIS provides the opportunity for businesses to re-align their CSR investment** in support of local place prosperity.

Gatwick and West Sussex: A deal to be done?

- **In its negotiations around airport expansion, West Sussex County Council should explore the potential for a productivity deal with Gatwick Airport** to establish a new way of working towards shared commitments to increased productivity and prosperous local communities.

Further learning can be found in **Lessons for Local Industrial Strategy.**