

PLAN FOR PROSPERITY

Summary



A Fairer, Stronger, Cleaner Liverpool
City Region - Where no one is left behind

A Place of Pioneers – Building a Fairer, Stronger, Cleaner Liverpool City Region

The Liverpool City Region - Halton, Knowsley, Liverpool, St Helens, Sefton, and Wirral - is a place of transformation, where the ingenuity and creativity of our people is helping to pioneer the ideas, industries, and infrastructure of the future, and that once again is emerging as an international centre for culture and commerce. It is also a place where a spirit of innovation is providing the solutions to society's deepest challenges, and in developing our distinctive contribution in the drive to net zero. This Plan for Prosperity sets out how we will build upon these strengths and opportunities to transform together, to deliver a prosperous and economically, socially, and environmentally sustainable city region.

Delivering prosperity through a Fairer, Stronger, Cleaner Liverpool City Region

For us, prosperity is wider than traditional measures of economic growth. It is a blend of improving personal health, wealth and opportunity; creating thriving neighbourhoods and places; successful and productive businesses that create good quality employment; and a healthy and protected natural environment. It underpins levelling up and what this means to us, where no places or people are left behind.

The Plan for Prosperity offers a vision for a Fairer, Stronger and Cleaner City Region where this prosperity will be realised. Where meaningful opportunity and equality is shared by all communities; where we build up the resilience and productivity of the economy and unlock our global potential; and where we pioneer sustainable ways of living and working which will promote the health of our people and the environment. Within this, the Plan seeks to address the structural inequalities and weaknesses in the city region – many of which have been exacerbated by the COVID-19 pandemic. We need to build on the upward progress made over the past decade, where delivering the Plan's long-term priorities will result us being recognised as:

- **Fairer:** a leader in social innovation and one of the most inclusive economies in the world. We will have taken proactive action to tackle inequality and provide more opportunities for all of our residents.
- **Stronger:** a hub of good business and innovation on the international stage. We will have secured investment, both internally and from outside the city region, to continue to develop our distinctive specialisms and be known for our expertise in science and innovation. There will be significantly more businesses providing good quality jobs for our residents.
- **Cleaner:** a pioneer in sustainable approaches to living, travel and doing business. With a relentless focus on addressing the climate emergency we will place ourselves at the forefront of the Green Industrial Revolution.

The common themes within this vision - innovation, inclusivity, the drive toward net zero, strengthening our place within a globalised world, and digitalisation – pervade throughout the Plan and are the underpinning principles that will guide future decision making, how we collaborate across the city region as a whole, and how we work with government.

What this plan does

The Plan sets out our ambitions and priorities designed to address the key challenges we face, together with a common narrative for how we intend to position ourselves both nationally and globally to maximise our contribution to levelling up and the UK's economic prosperity. In doing so, it:

- Brings together our different portfolio areas across strategy, policy and investment in one place, providing a high level holistic and long-term view of place and economy. It will inform policy and strategy preparation, investment decisions and project pipeline development, and will ensure the city region continues to invest resources intelligently and impactfully.
- Sets out a proposition to how we want to work more collaboratively with government, including through the potential offered by devolution to both maximise our transformational opportunities and distinctive assets, and to begin to make meaningful inroads into the structural challenges and inequalities that we face. We know what we are good at and what our strengths are, and equally we have a granular understanding of the long-standing challenges which confront our communities, and how these need to be addressed.

The Plan sets out how we will work locally to optimise opportunities, and to address our challenges. But to truly shift the dial on the issues that we have experienced across many decades and hold our city region back, we now need a different approach, which includes working with government in maximising the effectiveness and opportunities offered by devolution, underpinned by a long-term view for change. The Liverpool City Region is ideally placed for this given the scale of our ambitions and distinctive, transformational opportunities; the depth of the inequality challenges we face meaning that impact of locally targeted interventions at scale will be clear and demonstrable; and above all, a pioneering approach characterised by a willingness to do things differently, including the opportunities offered through public service reform.

Devolution with responsibility and accountability will make the Liverpool City Region an exemplar for a fairer, stronger, and cleaner economy, and in doing so help us make a key contribution to the UK's economic ambitions and in levelling up.

Figure 1: Plan for Prosperity Outline



An improving economic picture but entrenched long term challenges

The Plan for Prosperity is based upon a clear understanding of our economy: where it already excels, where the opportunities lie within the city region, and which areas must be strengthened in order to unlock its full potential.

Prior to the pandemic, the City Region had been making important strides. Our residents are now more skilled, communities are better-connected, and there is strength and diversity in the business base. This is complemented by a wealth of innovation and research assets, and a strong base for the transition to net zero through our natural and technological assets. The foundations of a high-value, innovation-led economy that has a clear role within the global market are in place.

However, as a legacy of LCR's industrial past and shifts within the global economy, there are longstanding challenges that remain. For too long, for too many people and places across the city region, our economy has not delivered meaningful prosperity. Many of our communities all too often remain excluded from economic opportunity, with deepening concentrations of extreme deprivation across the city region. A combination of health-related economic inactivity and not enough high-quality jobs, means that we are not making a deep enough impact on people and places needed to drive up productivity and thrive.

Meanwhile, outdated, carbon-intensive ways of living, working, and getting around continue to pollute our natural environment and leave our communities on the frontline against an accelerating climate emergency.

This combination of poverty and pollution contributes to a crisis of poor health and wellbeing among our residents, constraining access to economic opportunity, undermining quality of life, and unnecessarily cutting too many lives short. One in four people of working age in the city region have limiting health conditions, while life expectancy here is two and a half years lower than the England average. These challenges have been emphasised and exacerbated further by the COVID-19 pandemic.

The Plan for Prosperity offers the opportunity to deliver the transformational change that will address these challenges, creating an effective economy that works for all people and places in the city region and improving our national and international competitiveness.

The LCR Proposition: 'A Place of Pioneers'

Our city region offers a unique proposition. The assets, skills, and talents present here offer a number of key opportunities, which, when realised, will further build on LCR's existing distinctiveness whilst delivering national expertise that complement the wider economy.

These opportunities are very much focused around a distinctive deep and holistic innovation offer where invention, creativity, and a willingness to do things differently is embraced at the interface of industry and academia, in our arts and culture, and across our communities.

This is innovation with purpose, directed toward solving economy and society's biggest challenges and, in doing so, create shared prosperity for all our people and places. It is this distinctive character that flows throughout the Plan and will enable us to make a major contribution to the UK's ambitions to level up, strengthen its global position, and achieve net zero carbon.

i) Maximising our contribution to UK plc through our world leading innovation assets, capabilities, and competitive strengths

We are home to several distinctive world leading specialisms. These include high performance computing and AI; Infection; and Materials Chemistry. Such global capabilities provide a foundation for us to lead the way in transformational strengths and competitive advantages. For example, supporting our leading manufacturers and dynamic supply chains through industrial digitalisation technologies, and in underpinning health innovation, the strengths and scale of which were again recently illustrated through the opening of the Pandemic Institute; the city region's role in the UK's integrated vaccine development and pandemic response; and the development of the iiCON infection innovation programme, a world leading consortium for infection and R&D.

In addition to this are major strengths and opportunities relating to our drive towards net zero innovation. Examples include Mersey Tidal; hydrogen including Hynet North-West which the City Region is at the heart of; Glass Futures, an industry-led global centre for R&D and innovation that will lead the way in glass decarbonisation (see case study); and sustainable packaging with our ambitions for a globally leading National Packaging Innovation Centre.

Our innovation strengths are enabled by nationally significant science and innovation hubs at Sci-Tech Daresbury and Knowledge Quarter Liverpool.

With £2bn investment in innovation infrastructure in the five years up to 2020, more than £1bn in live projects, and a £3bn+ innovation project pipeline providing a critical mass of distinctive, high impact activity, we are primed to fully contribute to the delivery of the UK Innovation Strategy.

Working with government, industry, national agencies, and research institutions, we can maximise this contribution through realising our target for R&D investment reaching 5% of the city region's GVA by 2030 - nearly double the UK target of 2.4% GDP (2.7% in GVA) that has been set for 2027. This reflects the fact that a number of other places outside the Greater Southeast that have the demonstrable potential to do so – LCR being one of these - will need to significantly over-deliver above the average on their own R&D investment in order to achieve the national target.

In net terms, reaching our 5% target could create an additional £19.7bn in cumulative GVA, a 6.5% increase in jobs (44,000) and a 10% increase in productivity (an uplift of £3 GVA per hour), rapidly closing our overall productivity gap with national averages. The impacts for the wider economy could be hugely significant, with more businesses undertaking R&D, a strong innovation culture permeating across the wider business base, more employment in knowledge intensive/growth sectors, and increased inflow and retention of skilled workers.

ii) Optimising our strengths as a Global Cultural Capital

We are internationally renowned for our cultural vibrancy, creativity, and visitor economy offer, with the highest density of arts, entertainment, and recreation jobs outside of London. Whilst the pandemic deeply impacted on our culture, creative and visitor economy sectors, the long-term foundations remain strong.

Investment in cultural infrastructure and sense of place pays economic and social dividends and creates new opportunities for people and places. Culture is the glue that binds communities together, it supports people's health, wellbeing, and can improve quality of life. It is a key to prosperity in the fullest sense. We will continue to build on our wealth of distinctive assets and strengths which include:

- Our significant number and range of museums, theatres, galleries, and heritage buildings.
- A unique musical heritage and vibrant, international contemporary music scene, with UNESCO City of Music status for Liverpool.
- A leading role in the UK's film and TV industry, including significant studio and post-production facilities.
- World-renowned sporting venues, from football and rugby league, to horseracing, and golf.
- National and international prominence as a cultural destination.

We will continue to innovate in enhancing our culture offer and so further support the city region's attractiveness as a visitor destination, as well as supporting market demand, readiness, and resilience to drive the post-pandemic recovery of the visitor economy.

iii) A leader in social innovation

We embrace innovation with a social purpose – proactively responding to entrenched deprivation, public health challenges, and the need to transition to a more sustainable way of life in the face of the Climate Emergency.

We have a longstanding reputation for social innovation, and our thriving social economy continues to produce ground-breaking innovations. These range from new digital technologies that improve health and wellbeing; the development of land trusts which reinvest community spend back into neighbourhoods; social movements that celebrate the diversity of communities and promote equality; and service innovations that improve interactions between healthcare and patients.

This sector will continue to play a critical role in building community capacity, managing assets and delivering services, and we will further deepen the relationship between the social economy, public services, and businesses. Furthermore, tailored support will help social enterprises to grow, scale and replicate. A starting point for this is Kindred, a dedicated vehicle that enables socially trading organisations to thrive in the city region, through access to finance and specialist, bespoke support.

We also continue to be at the cutting edge of new, systemic ways of supporting people and places, through asset based and integrated approaches, demonstrated by programmes such as Housing First, Ways to Work, and Households into Work. Working with government, we aim to make such innovations mainstream to deliver for people and places at scale, streamlining and simplifying the ways that help can be accessed to address the complex challenges that people and places can face.

We recognise that economic, social, and environmental challenges are growing. Our heritage of social action and social innovation will be one of our greatest assets in addressing these. We will empower and mobilise the collective efforts of social innovators to solve these challenges. Additionally, underpinned by our readiness to pilot new ideas and utilise technology and data focused solutions, we want to continue to jointly explore how we can work with government to continuously innovate in driving public service reform and maximise the potential of devolution.

The Plan's key strategic priorities

Our granular understanding of our strengths and long-term challenges, together with a relentless focus on innovation across all areas of economy and society, informs our main strategic priorities where we know we need to do things differently so that LCR becomes a truly inclusive economy, maximises its role in the drive to net zero, and enhances its global reach.

i) An inclusive city region where levelling up means no one and no place is left behind

We will be a focal point for economic and social innovation which will enable all people and places the opportunity to enjoy prosperity, good health and wellbeing, while demonstrating the productivity gains that can be unlocked in doing so. The cumulative impact of delivery across the whole Plan will contribute to developing an inclusive economy, with a number of underlying principles – such as those set out below - being central to how we view economic growth differently, changing how challenges are framed and how the benefits of economic opportunities are spread. Key areas of focus include:

- Ensuring that equality and diversity is at the heart of everything we do. This will breed a more creative, innovative, and productive economy.

- A city region approach to community wealth building that incorporates common approaches to progressive procurement across our anchor institutions in both the public and private sectors to support our SME base (such as the local authorities, NHS, universities, and major companies); supporting good employment and developing the city region as a centre for 'good business'; and developing the base conditions for social innovation to thrive. This will build on good practice already being established by partners.
- Supporting sustained improvements in health and wellbeing through all policies, ensuring that narrowing health inequalities and promoting health equity becomes part of mainstream economic development planning and outcome measurement.
- Providing high quality business and enterprise support that enables sustainable, good employment, with a focus on clear, accessible, integrated approaches. We want to work with government to clearly set out our priorities and highlight our place-based solutions which meet local need, whilst ensuring that our existing infrastructure and capacity for business support delivery is not just maintained, but further enhanced.
- Creating a shared drive to net zero and climate adaptation from all who live and work here, ensuring that we avoid negative impacts on our most disadvantaged communities.
- Ensuring the benefits of digital transformation across all of our communities. In particular, a central priority is enabling digital inclusion, which is more important than ever as we emerge from COVID-19.

ii) Pioneers of the Green Industrial Revolution

The Plan sets out how our pioneering role will be underpinned by our distinctive natural assets and technological capabilities to create a blend of offshore wind, hydrogen, and Mersey Tidal - a project of international importance - meaning that LCR has the potential to become the UK's Renewable Energy Coast.

This will be complemented by our drive towards a net zero economy through demand-led growth and re-skilling residents to create long term and sustainable employment; a leading clean transport system with a focus on active travel; support for electrification opportunities within our renowned automotive industry; actions on delivering energy efficient homes; delivering on distinctive opportunities such as Glass Futures and in sustainable packaging; and embedding the principles of a circular economy based on zero waste principles.

Within this we will need to further develop dedicated support for our businesses – particularly for SMEs who do not have deep resources - and communities to embrace the opportunities and address the challenges of net zero transition.

Critically, the Green Industrial Revolution will mean more than just jobs and economic growth. An economy that is clean and green, and that functions effectively for everyone will be better for health and wellbeing and a population with better health and wellbeing is better for business, competitiveness, and inclusivity.

iii) A global, confident, and outward looking city region

We will build upon our world-renowned strengths and reputation and will demonstrate that we are an open and outward looking global gateway. We will continue to be a leading asset for the country as the UK establishes new global commercial ties - continually investing to develop our high value offer and distinctive international brand. The Plan sets out the ambition to fully establish a nationally leading position in supporting the UK's global trading ambitions. This will be founded on:

- Expansion of our international networks, focused on developing strategic relationships with the aim of nurturing deeper economic, civic, and cultural links.
- Further capitalising on our strategic position as a pre-eminent western global gateway to the UK economy and enhancing the enabling multi-modal infrastructure and assets so that we can deliver our global ambitions.
- Developing a fully integrated approach to exports so that we can accelerate our global trade opportunities, with highly focused approaches to key and emerging markets.
- Clear and coherent messages that supports our distinctive investment proposition: around our global innovation excellence; value propositions across our key sectors where we have competitive advantage; building on our distinctive Global Cultural Capital offer which is further articulated in our Cultural Internationalisation Strategy; and promoting our renewable energy strengths and ambitions.
- This will all be supported by the highly significant trade and investment opportunities brought about by the LCR Freeport. Given that it is a west facing Freeport and the Port of Liverpool handles 45% of trade with the US, it has national importance for further optimisation of UK trade and investment with North American markets.

Improving our performance across the pillars of our economy

The vision and key priorities of the Plan will be delivered, and supported, by strengthening the core pillars of our economy that are critical to driving productivity and wider prosperity.

i) Maximising the impacts of innovation for people, places and business

We want our innovation and knowledge assets to benefit the whole city region – supporting businesses to become more innovative, helping to provide local and global solutions to pressing challenges, and to both provide opportunity and raise aspirations across our communities.

Our aim is that the business base will be driven by an established ‘innovation first’ culture where, through targeted support, we will increase the scale, speed, and scope of innovation. This will be achieved through business processes, services, products, operating models; leading the way in product design and application; and seamlessly applying our world-class innovation assets to commercialise ideas. In particular, this requires developing integrated approaches to helping higher growth businesses innovate through high-intensity support and strengthening the framework of the innovation finance ecosystem.

Ultimately, this ‘innovation first’ culture must promote the adoption and diffusion of innovation to drive productivity boosting practices throughout the business base. A ‘whole-system’ strategy, which will also embrace those from industries that may have been traditionally slower to innovate, is critical in achieving increased productivity and capability growth for businesses throughout the city region. In turn, this will generate more good quality employment, increase wages and investment, ensure the inflow and retention of a skilled workforce, and enable more exports.

Innovation also needs to impact locally. Citizen engagement will go hand-in-hand with this focus on addressing local needs, in order to develop an innovation ecosystem that reflects our commitment to delivering an inclusive economy. We will work together with organisations such as our schools, colleges, universities, skills providers, and innovation clusters to build upon existing outreach work and will help ensure that the progress made through the innovation ecosystem spills over positively into all our neighbourhoods.

ii) Turning People’s Potential into Prosperity

Removing the multiple barriers to prosperity will provide the opportunity for all people to have a good quality of life and be able to use their potential to lead prosperous lives. This requires working across a range of connected themes from early years to supporting people throughout their working lives, including approaches to:

- Improving health equity: we will seek to make rapid progress in integration across the health and employment and skills agendas, explore further preventative interventions, and provide the right provision for systemically disrupting embedded health and wellbeing issues across the city region, particularly with regards to mental health. This requires building on multi-agency support at scale, with the right level of resources to make a real difference.
- Exploring the most effective ways to work with households in a targeted way to ensure that the best possible early years provision is in place.
- Working with government to determine how we can intervene early to improve education and learning outcomes, and ultimately the life chances of young people. This is critical for our city region given poor educational attainment across many areas.

- Improving the employability of residents to give them the best chance of accessing, sustaining, and progressing in employment - particularly building on, and scaling up, our successful local models for those with complex needs. This will include narrowing gaps in employment, unemployment and economic inactivity for specific groups, including women, people from ethnic minority backgrounds, people with disabilities and those with experience of the care system.
- Further increasing technical and other education opportunities for young people and adults, building on our established record of delivery through the Adult Education Budget and Be More Apprenticeship Portal. Our 'Young Persons Guarantee' will also support young people out of work for more than six months into a job, training, or an apprenticeship opportunity.
- Developing a balanced system that helps employers effectively articulate their current and future skills needs, building on our employer led Skills for Growth activities; and continue to work with our education providers so that they can provide responsive training provision through new and updated curriculum and facilities.
- Promoting business investment in upskilling and reskilling, meaning we will raise the ambition of people and businesses so that skills, continual learning, and development are perceived as the norm. We will encourage reskilling and retraining for people and employers through Adult Education Budget funded provision; utilise sectoral approaches based on input from businesses on specific skills gaps and opportunities; and ensure continual promotion of traineeships and apprenticeships.
- Progressing future focused skills development, including targeted programmes that provide the skills needed to transform our economy and communication of them through progression pathways. This will be linked directly to our key sectors, and the competencies and opportunities identified in this Plan. For instance, clean growth and an increasingly low carbon, digitally and technologically enabled economy requires specific skills sets and competencies, which we are planning towards.

iii) Thriving, sustainable, and resilient places

We are committed to strengthening the vitality of our communities. From reimagined and thriving urban spaces, to a wealth of culture, accessible and attractive natural spaces, utilising the strengths of community-driven place-making we will use our distinctive international brand to be a truly excellent place to live, work and invest. This will ensure we attract and retain the best of national and international talent.

Housing is key to our place-making objectives. Our strategic housing objectives are focused on ensuring housing contributes to economic growth, improves environmental sustainability, and helps deliver better social outcomes, including improved health, within a wider place making context. These objectives will be delivered by accelerating delivery of new homes, widening housing choice, improving housing quality (including retrofitting), neighbourhood regeneration and addressing homelessness.

We will revitalise town centres and community hubs so that they are renewed focal points for social infrastructure, communities, entrepreneurs, and businesses. We will develop a holistic 'whole place' approach, recognising that the interaction between business growth, housing, health and wellbeing, skills, culture, connectivity, and transport affects the success of a town centre. This will be reflected in our actions that flow from the LCR Town Centres Commission, which will in turn directly dovetail with ambitious plans from our local authorities for their town centres which are at the heart of wider regeneration activity.

We will ensure that the city centre remains the key hub for our knowledge economy, continuing to provide the key interface for exchange of ideas, collaborative relationships, and driving innovation. Our policy and investment activity will therefore continue to support the City Centre – as it will other locations of knowledge intensive activity – so that clusters of knowledge intensive business and employment are accelerated, together with continued support for key enabling sectors such as finance, legal, and other professional services. Furthermore, its role as an anchor for the visitor economy will continue to be promoted and supported.

iv) Integrated infrastructure for a connected city region

We aim to transform our infrastructure in a strategic and integrated way to support sustainable economic growth, improve public health, attract investment, and link people and businesses to opportunities across the city region and beyond. Our modern infrastructure will be clean, sustainable, and accessible, supporting climate change adaptation and mitigation. This will be complemented by prioritising a joined-up approach to enhance our natural capital, creating and sustaining green spaces. Particular focus will include:

- Future readying the city region's infrastructure and developing an overarching strategic, integrated approach across transport, energy, digital, and grey infrastructure.
- Prioritising a robust and joined up approach to green and blue infrastructure, fully accounting for the city region's natural capital assets and green spaces.
- Connecting all homes, businesses, and communities to the ultrafast gigabit capability, through our LCR Connect Joint Venture.
- Strengthening and improving the city region's public transport services and networks that support modal shift and serve our inclusive economy ambitions. This includes a number of interdependent components and part of the vision that will be detailed within the next LCR Long Term Transport Plan (LTP4) - to build a fully integrated and clean London style system.
- Supporting the clean growth of freight and logistics, building on our 'State of Freight' programme to explore the potential for freight and logistics to be served by alternative, clean fuels such as renewable electricity and hydrogen.

- Ensuring that businesses have the right physical infrastructure to grow, with a mix of sites, buildings and facilities across the city region, which are attractive to the market, facilitate investment and are essential to both employment and productivity.
- Delivering the energy infrastructure to power the ambitions of a net zero city region. Our transformative long-term ambitions require equally long-term planning on energy infrastructure to deliver a marketplace that connects the grid, suppliers, and consumers. The city region will step up to support the scale of response necessary.

Delivering the Plan's priorities

Informing everything we do will be a number of guiding principles, ensuring the realisation of the city region's full potential, and embracing the opportunity to do things differently. These include:

- Exploring and utilising the full potential that devolution offers, including developing the case for future devolution to provide us with the powers and resources to address the challenges set out in the Plan.
- Collaboration by default: we will deliver through constructive and effective partnerships, both within and across the city region, and with external stakeholders. Importantly, we will always seek to embrace opportunities to collaborate with near neighbours, the wider north of England, national government, and internationally, where places can work together to achieve common aims and overcome shared challenges.
- Community empowerment: the opportunities of devolution will be extended to all communities across the city region as much as possible, engaging with, and empowering them to shape, influence, and deliver on strategic aims in a way that will be most effective and most significant.
- Agility and dynamism: the city region will be willing to take risks and pioneer new approaches.
- Pragmatism: to maximise the return on investment for public money, small, quick wins are considered, pursued, and valued as much as large-scale transformational interventions.
- Accountability: openness and transparency with partners, stakeholders, and people from across the city region, will continue to evolve across everything that we do, driven by a culture of strong governance and continuous improvement.

We will work collectively as one city region to deliver a prosperous and productive economy that is effective and inclusive for all people and places. By harnessing the potential of devolution and empowering communities to shape their own futures, this vision will be achieved together.



**LIVERPOOL
CITY REGION**
COMBINED AUTHORITY

METRO MAYOR
LIVERPOOL CITY REGION

