



Delivering shared prosperity for Liverpool City Region

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The Liverpool City Region

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Key takeaways

1. Liverpool City Region Combined Authority has recently published its 'Plan for Prosperity'. An overarching strategy for a Fairer, Stronger, Cleaner City Region, the Plan offers a holistic, long-term view of the local economy and place, its key strengths and challenges, as well as the ways it can deliver meaningful prosperity in its widest sense and in doing so, truly "level up".
2. As a 'Place of Pioneers', the strategy outlines how Liverpool City Region (LCR) can rebalance and renew its economy through a holistic approach to innovation: one that capitalises on existing local strengths across industry and academia, arts and culture, and social innovation.
3. However, delivering prosperity for all people and places will also require the core foundations of the local economy to be significantly strengthened. This means continued focus on and investment in local skills, infrastructures, and place-shaping, all underpinned by a long-term emphasis on inclusivity and the transition to net zero.
4. Maximising the opportunities offered by devolution, and utilising the full value of local knowledge, responsibility, and accountability, will be required to truly shift the dial on the key challenges – entrenched deprivation, low employment and skills levels, and poor health and wellbeing – that LCR has experienced across many decades, and improve LCR's contribution to national prosperity.
5. Ultimately, successful delivery of shared prosperity is a long-term endeavour. It will rely on developing a truly collaborative leadership approach – underpinned by devolution – and working collectively as one City Region, with a collective understanding of what success looks like for all people and places.

1. Introduction

We are living and operating through a time of ongoing change and challenge – politically, economically, environmentally and socially – where it is all too easy to become overly focused on the short term. This is not to minimise the importance of critical issues that, collectively, the country is facing at the moment – inflation and a cost-of-living crisis, for example – but emerging from the Covid-19 pandemic and facing a deepening climate emergency provides an opportunity to think about how the future economy is to be structured and how it can offer meaningful prosperity for all residents and communities.

This requires consideration across pivotal and broad issues including rebalancing and renewing the economy, strengthening its structural foundations, and how to effectively deliver on shared priorities through devolution and wider public service reform.

As a starting point for this, Liverpool City Region Combined Authority has published its 'Plan for Prosperity'. This is an overarching strategy; an anchor point for the City Region's long-term priorities and principles, that is based on a strong understanding of its key strengths and challenges.

Prosperity means different things to different people and organisations. In Liverpool City Region, it flows directly from the Combined Authority's vision for a Fairer, Stronger, Cleaner City Region, meaning that prosperity encapsulates more than traditional measures of economic growth. It is a blend of improving personal health, wealth and opportunity; creating thriving neighbourhoods and places; promoting successful and productive businesses that create good quality employment; and nurturing a healthy and protected natural environment. The way to achieve shared prosperity is through undertaking and delivering a holistic and long-term view of economy and place and setting out ways of doing things differently from the past.



Figure 1: Plan for Prosperity summary (LCRCA Plan for Prosperity 2022)

2. How can Liverpool City Region meaningfully deliver prosperity?

A: Rebalancing and renewal

In a globalised world which is interconnected like never before, it is critically important for localities to consider how they can become more globally competitive. In Liverpool City Region, there are a number of nationally leading, distinctive strengths and opportunities that will help close the economic gap with national and international comparators.

The Plan for Prosperity confirms the City Region as a 'Place of Pioneers' and looks at this proposition in a holistic way. It outlines a complete innovation offer where invention, creativity, and a willingness to do things differently, is embraced at the interface of industry and academia, in arts and culture, and across communities.

This proposition both informs and supports the key strategic priorities set out in the Plan for Prosperity, based around delivering a truly inclusive economy, becoming pioneers of the Green Industrial Revolution, and fully expanding its global reach.

(i) Building on world leading innovation assets, capabilities, and competitive strengths

The City Region is home to several distinctive world leading innovation specialisms, including high performance computing and AI; infection; and materials chemistry.

In addition to this are major strengths relating to the drive towards net zero innovation from Mersey Tidal, to hydrogen, offshore wind, glass decarbonisation, and sustainable packaging.

These global capabilities, combined with assets such as Knowledge Quarter Liverpool, Sci-Tech Daresbury, and a strong innovation project pipeline, provide a strong and resilient foundation for the City Region to lead the way in transformational strengths and competitive advantages, from health innovation and industrial digitisation that supports trailblazing manufacturers, through to the development of the technologies and clusters that will help in meeting local and national net zero carbon targets.

The City Region is well placed to help deliver on the Government's target of the equivalent of 2.4% GDP investment in Research and Development (R&D). Indeed, it has its own ambitious target for investment reaching 5% of the City Region's GVA by 2030. This reflects the fact that a number of other places outside the Greater Southeast that have the demonstrable potential to do so – the City Region 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.

Combined with its strategic position as a pre-eminent western global gateway for the UK economy (further anchored by the Liverpool Freeport), the Plan's innovation and competitive advantage-led proposition demonstrates that there is a major opportunity for the City Region to build upon its world-renowned strengths and reputation to become a leading asset for the country as the UK establishes new commercial ties around the world.

(ii) Optimising the City Region's strengths as a Global Cultural Capital

Liverpool City Region is internationally renowned for its 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 the culture, creative and visitor economy sectors, the long-term foundations of LCR remain strong.

The City Region aims to continue to innovate in enhancing its cultural offer and so further support its attractiveness as a visitor destination, as well as supporting market demand, readiness, and resilience to drive the post-pandemic recovery of the visitor economy. Culture will also become central to approaches that help bind communities together, support people's health and wellbeing, and improve quality of life. It will also be key to broader internationalisation activities, as a significant component of the City Region's brand development.

(iii) A leader in social innovation

An economy that delivers prosperity must enable social innovation to support communities in a variety of ways, from addressing socio-economic issues, through to providing skills and employment opportunities. Liverpool City Region has a longstanding reputation for social innovation, and the social economy will continue to play a critical role in building community capacity, managing assets and delivering services. A central focus will be the further deepening of the relationship between the social economy, public services, and businesses.

Social innovation is also about evolving how public services are delivered. The City Region continues 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, it aims to make such innovations mainstream to deliver for people and places at scale, and to continuously innovate in driving public service reform.

B: Building on the structural foundations of economic prosperity

The key strategic priorities and proposition set out within the Plan for Prosperity can only be supported and delivered by strengthening the core foundations of the economy, all of which are interdependent. This means focus and investment on local skills, infrastructures, and place-shaping, all underpinned by a long-term view on inclusivity (including improving health equity) and the transition to net-zero. The Plan seeks to address these in a comprehensive way, which is summarised below.

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

Innovation and knowledge assets need 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. Within this, the business base needs to be driven by an established 'innovation first' culture where, through targeted support, the scale, speed, and scope of innovation will be increased. Ultimately, this 'innovation first' culture must promote the adoption and diffusion of innovation to drive productivity boosting practices throughout the business base.

An innovation ecosystem needs to also reflect the City Region's commitment to delivering an inclusive economy. This means working together with organisations such as 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. The Knowledge Quarter Liverpool innovation district is currently leading work in this area, and has set out an aspiration to spread the benefits of innovation activity (Sinclair and Cook 2021).

(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. By working to improve educational attainment, upskilling, reskilling, supporting people into employment, systemically improving health outcomes, and attracting and retaining talent, the Plan for Prosperity sets out the priorities to develop a healthy, happy population, and a deep pool of skilled labour and innovative entrepreneurship that maximises prosperity and productivity.

(iii) Thriving, sustainable, and resilient places

Strengthening the vitality of the City Region's communities is central to long term transformation in the wider economy. The Plan sets out how the City Region will achieve this through developing and enabling a high-quality housing stock that meets need, provides choice, and supports good health and wellbeing; and ensuring neighbourhoods are sustainable and designed to enable people and places to flourish. From reimagined and thriving urban spaces, to a wealth of culture, high quality, accessible and attractive natural spaces, utilising the strengths of community-driven place-making the City Region will aim to use its distinctive international brand to be a leading place to live, work and invest.

(iv) Integrated infrastructure for a connected City Region

The overarching aim is to transform the City Region's 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. The Plan sets out a vision for modern, future-ready infrastructure, that will be clean, sustainable, and accessible, supporting climate change adaptation and mitigation. A clear focus on providing a London-style transport system and a major increase in digital connectivity (through LCR Connect) will be complemented by prioritising a joined-up approach to enhance the City Region's natural capital, enhancing and sustaining its highly significant green and blue spaces.

(v) Foundations that support the drive towards an inclusive economy

Perhaps the most important principle underpinning the Plan for Prosperity is inclusivity, and these structural foundations need to ultimately combine in supporting this aim. In any economic development intervention, the primary question that needs answering is: who is this benefitting? The answer has to always be local people and communities. This is even more important in places such as Liverpool City Region, where there are long-standing, deep-rooted challenges relating to deprivation, employment and skills, and poor health that hold too many people back, prevent the City Region achieving its full economic potential. One of the Plan's central themes, therefore, is for a consistent emphasis on this principle across all policies, investments, and activities. Furthermore, approaches such as community wealth building will need to become fully embedded within policy and practice. The ultimate aim is an 'inclusive system' at the heart of economic development.

C: Delivering through genuine devolution

The Plan for Prosperity sets out a proposition for how the City Region wants to work more collaboratively with Government. This includes focusing on the potential offered by devolution to both maximise the City Region's transformational opportunities and distinctive assets, and to begin to make meaningful inroads into the structural challenges and inequalities that it faces. Liverpool City Region knows what it is good at and what its strengths are, and equally it has a granular understanding of the long-standing challenges which confront communities, and how these need to be addressed.

This local knowledge and insight are illustrated in the Plan for Prosperity's evidence base, which itself builds on the extensive evidence gained from the Local Industrial Strategy: the 'LCR Listens' programme of engagement included 2,500 members of the public and over 300 stakeholders from industry, academia, and the social economy.¹

1. The Local Industrial Strategy is the predecessor to the Plan for Prosperity. Industrial Strategy was the primary focus for national economic policy, but this was disbanded and superseded by a 'Plan for Growth', together with the focus on levelling-up and the recently produced White Paper.

To truly shift the dial on the issues that Liverpool City Region has experienced across many decades, a different approach is needed, which includes working with Government in maximising the effectiveness and opportunities offered by devolution, underpinned by a long-term view for change. Devolution with responsibility and accountability will make Liverpool City Region an exemplar for a fairer, stronger, and cleaner economy, and in doing so help it make a key contribution to the UK's economic ambitions and in levelling up.

3. Setting the principles for delivery

The Plan for Prosperity sets out a number of guiding principles, that are required for 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, as discussed above.
- Collaboration by default: that delivers through constructive and effective partnerships, across the City Region, regionally, nationally and internationally.
- Community empowerment: the opportunities of devolution being extended to all communities across the City Region as much as possible.
- Agility and dynamism: being willing to take risks and pioneer new approaches.
- Accountability: openness and transparency that is driven by a culture of strong governance and continuous improvement.

Ultimately, successful delivery of shared prosperity is a long-term endeavour. It will rely on developing a truly collaborative leadership approach – underpinned by devolution – and working collectively as one City Region, with a collective understanding of what success looks like for all people and places.

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