



## LEP STRATEGY COMMITTEE – AGENDA ITEM 4

Subject: Strategy Work Programme Update

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### Purpose

To update the Strategy Committee on progress with the Strategy Work Programme associated with the refresh of the SEP and development of its supporting strategies and delivery plans, including proposals for wider consultation and stakeholder engagement on emerging drafts.

### Recommendations

The Strategy Committee is asked to

- a) Note the content of the report
- b) Note the Publication of the Quality of Place and Housing Strategies
- c) Consider the current programme of collaborative cross-LEP activity on key areas of common interest
- d) Discuss the proposed Hydrogen Economy event on 5<sup>th</sup> June 2019 and approve that the Cheshire and Warrington LEP should co-sponsor the event
- e) Note the work under NW2 Automotive workstream and discuss the potential next steps for this work.

### Background

1. The SEP work programme is now nearing completion, with the revised version of the SEP now available on line (and a limited supply of hard copies). Work is progressing on the remaining supporting strategies with updates provided on the housing, science and innovation and digital strategies. In addition, a number of areas of 'common interest' are being worked on at a cross-LEP level and in the context of Local Industrial Strategy the expectation that we can demonstrate such working is increasing.

### Discussion

2. Work is now nearing completion on all of the supporting strategies to the SEP. Alongside development of the Local Industrial Strategy focus now needs to shift to the delivery element of the objectives set out under each Strategy. In terms of the remaining supporting strategies, the position is set out in the following section.

#### *Quality of Place*

3. The final version of the revised Quality of Place Strategy has been uploaded to the LEP website and a small number of hard copies also produced for distribution to key stakeholders.



### *Housing*

4. A presentation on the draft Housing Strategy was given to the LEP Board in January and was very well received. By the time of the meeting is expected that the full Strategy, plus a summary presentation pack, will have been uploaded to the LEP Website.

### *Science and Innovation*

5. The draft Science and Innovation Strategy was considered further by the Strategy Committee at its November meeting. The text is currently with the LEP's graphic designers. As agreed at the January meeting the Committee will receive a presentation on the main recommendations in the strategy at this meeting.

### *Digital Strategy*

6. Due to unforeseen circumstances the work to finalise the digital strategy is running some weeks behind schedule. It is intended that the final version is completed and published by the end of April 2019. The Strategy has already started a number of conversations around the need to bring key organisations together to understand what the future digital infrastructure requirements might be for the sub-region and to translate this in to a Digital Infrastructure Plan.

### *Moving forwards to Delivery*

7. As mentioned above, focus of the Strategy work programme now needs to shift to the delivery element of the objectives set out under each Strategy and ensuring that any activity is aligned to the work on Local Industrial Strategy, as appropriate. **It is suggested that a specific item be included on the agenda for the May 2019 meeting to look at the overall delivery plan and discuss how this is prioritised and taken forwards.**

### *Collaborative Activities*

8. An update was provided at the January meeting of the Strategy Committee on progress in developing a cross-border Energy Prospectus in conjunction with the Mersey Dee Alliance and North Wales Economic Ambition Board. This is one of a number of current examples of collaborative, cross-LEP working that Cheshire and Warrington is engaged in and it is an appropriate time to update the Committee on progress with this activity.
9. It is also suggested that the Strategy Committee receive more detailed presentations on each of these workstreams at future meetings.

#### *a. Energy and Clean Growth: Developing a Hydrogen Economy*

10. Our Energy and Clean Growth Strategy highlighted the potential for Cheshire and Warrington to be at the heart of the development of a 'hydrogen economy'. Whilst this represents an opportunity for other parts of the UK, the breadth and depth of assets in our sub-region and in to Liverpool City Region is significant, and external studies also suggest that our access to a



suitable underground store for excess carbon dioxide (CO<sub>2</sub>) offers a more cost-effective solution than those other areas.

11. The opportunities for utilising hydrogen as an alternative, 'green gas', include using it for transport – fuelling buses, trains and commercial vehicles – and as a substitute for natural gas (methane) in heating.
12. For some weeks the LEP has been engaging with the business-led 'North West hydrogen Alliance' and with Liverpool City Region LEP to develop the thinking around hydrogen production and deployment and how this might align and support wider ambitions for the E-Port Smart Energy project and the Government's Industrial Clusters mission.
13. As part of this process, Halton Council, which is leading on hydrogen for LCR, has developed a proposal for a Hydrogen-focussed summit, to be held at The Heath, Runcorn in June. A copy of the outline is attached at **Appendix A**. Cheshire and Warrington LEP has been invited to help shape the event and to sponsor it. Sponsorship is just £2,500 and would be sourced from the LEP Strategy budget.

**The Strategy Committee is asked to discuss the potential benefits of supporting this event and to agree that the LEP sign up as a sponsor at a cost of £2,500.**

*b. Energy and Clean Growth: Nuclear Sector Deal Supply Chains Programme*

14. The Nuclear Sector Deal agreed by Government in June 2018 makes provision for a programme to support development of the nuclear supply chain, including boosting innovation and encouraging new entrants. £10 million has been allocated, subject to submission of a robust business case, matched by £20 million of cash and in-kind funding from other sources (mainly industry). There is scope for the LEP to allocate a portion of the LGF Low Carbon Innovation Fund to match support some of this activity.
15. Proposals are in development, lead by the team at the Nuclear Advanced Manufacturing Research Centre (NAMRC) in Rotherham to develop proposals for a national support programme, enhanced by a 'nuclear places' element both of which would cover Cheshire and Warrington and the wider north west and north Wales area.
16. Current proposals would see the programme comprise three components: an expansion of the existing NAMRC 'Fit for Nuclear' programme, development of a new north-west-focussed programme targeted at Nuclear services (as opposed to manufacturing), and an 'entry-level' SME supply chain development support programme.

*c. Manufacturing Supply Chains: NW<sup>2</sup> Automotive*

17. The Committee has previously received updates on the work to support the automotive sector in the region being undertaken in conjunction with Lancashire and Liverpool LEPS, the Welsh Government, the Northern Automotive Alliance (NAA) and the Welsh Automotive Forum (WAF). At this geography we have the second largest automotive cluster in the UK, and work has been



ongoing to understand what the key opportunities are to develop existing and future supply chains, improve productivity within the manufacturing supply chains, and to raise the profile of the region for the purpose of attracting automotive inward investment opportunities.

18. An update on the emerging areas of focus was discussed with the NAA Board at its meeting in January, and a copy of the presentation used is attached as **Appendix B**. The work has identified a number of potential areas of opportunity which, if pursued, could support the development of the automotive industry in the region and in particular boost the strength and depth of its supply chain.
19. The Automotive Team within BEIS and the Department for International Trade (nationally and at the Northern Powerhouse level) has been supportive of the work to date and remain keen to engage.
20. Further work (including a 'deep-dive' workshop including the NAA Board, LEPs, Welsh Government and DIT) is planned for the end of March, and thought will be needed in the coming weeks as to how best to support this activity moving forwards (including a possible ask for financial support from the LEP Strategy Budget).