

## CHESHIRE AND WARRINGTON LEP BOARD

### CHIEF EXECUTIVES REPORT MARCH 2021

#### Summary

1. The main events since the February Discussion Forum have been the publication of the Government's route out of lockdown along with the second half of the announcement which was the Budget on 3 March, setting out a series of measures to help the economy recover. The Budget also included the announcement of the review of the role of LEPs and allowed Officials to confirm the key elements of our funding for 2021/2. We have also completed the Board and Sub-Board recruitment interviews and by the time of the Board meeting will know the identity of Andy Hulme's successor.

#### Chancellor's Budget

2. The main feature of the Budget on 3 March were the measures to provide further support to businesses affected by the Covid lockdowns. In particular, furloughing was extended to September, which will result in much lower levels of unemployment than we had originally feared. The Office of Budget Responsibility (OBR) now forecast peak unemployment at 5.6%, only ½% higher than at present and that the economy to be back at its pre-Covid level by the middle of 2022. This will change the focus of the work the LEP is leading on unemployment onto the young, ethnic minorities, the low paid and women, the groups most disproportionately affected by Covid.
3. The Levelling Up Fund prospectus was also issued alongside the Budget. Responsibility for bidding lies with LAs, who must demonstrate support from stakeholders, including MPs with bids being limited to no more than £20 million, other than for transport schemes (which Officials are briefing will make up a large proportion of the projects that are funded) which can be up to £50 million. The prospectus places all LAs in the UK into one of three categories, with the intention that the main beneficiaries of the Fund will be those in category 1. C&W authorities are in categories 2 and 3.

#### *Review of Role of LEPs*

4. A review of role of LEPs was also announced as part of the Budget. It has been described as a "small r" rather than "large R" review by one very senior Official, and the terms of reference are still being worked on. The statement issued as part of the Budget, however, said:

*"We will also be working with local businesses on the future role of Local Enterprise Partnerships. We want to ensure local businesses have clear representation and support in their area, in order to drive the recovery. We will work with Local Enterprise Partnerships over the coming months, with a view to announcing more detailed plans ahead of summer recess. This will also include consideration of Local Enterprise Partnership geographies."*

### *Freeports*

5. Finally, Liverpool was confirmed as the location for one of the new Freeports. The LEP and CW&C had supported bid, with Ellesmere Port identified as a site for possible future expansion.

### LEP Funding 2021/2

6. A separate item on the agenda seeks Board approval for our budget for 2021/2. Core funding from BEIS/MHCLG remains at the same level as it has been since 2014 (although we still await absolutely final confirmation of this), but funding for the Growth Hub has increased from £287,000 pa pre-pandemic to £620,000 for 2021/2. Funding for the Skills Advisory Panel and Digital Skills Partnership have also been extended for another year, and we expecting to be successful in our application for an increase in funding for the Pledge.
7. Given the LEP Review, we are proposing, as we did in the draft budget we presented in January, to maintain the current size and organisation of the team, with a view to making any changes once we fully understand our role and future funding.

### Sustainable and Inclusive Growth Commission

8. The Sustainable and Inclusive Growth Commission held its third meeting on 8 March. The Commission is still at its “collate” phase, gathering the evidence that will begin to crystallise into policy propositions and recommendations from the middle of the year. The meeting on 8 March focussed on a presentation about the importance of Hydrogen to the industrial decarbonisation agenda and another on a project being led by Scottish Power to map the optimal locations for EV charging points. It was also agreed that the Commission will respond formally to the Energy White Paper. The LEP has agreed to collate the draft.
9. Cheshire and Warrington will also be one of the hosts of a Northern Net Zero conference due to take place online on 19 March at which there will be two Ministerial speakers.

### Growth Hub

10. The Growth Hub team has been working with the Chambers of Commerce to better understand the impact of EU Exit on Cheshire and Warrington businesses. We are improving our intelligence and developing case studies to inform Government by contacting over 1,000 businesses directly for their experiences. The team have also been finalising plans for 2021/22 that will allow us to more pro-actively support business growth and investment, whilst continuing to provide advice and guidance on Covid19 and EU Exit. We have also agreed with BEIS that we will run a further cohort of peer to peer networks.

### Marketing Cheshire

11. Marketing Cheshire had national and regional television and radio coverage for a number of our larger attractions following the publication of the Government’s lockdown roadmap. We

continue to keep the destination front of mind so that we can welcome visitors when it is safe to do so. This will include a social media push for Cheshire Day on 30<sup>th</sup> March. We are also working closely with the three local authorities on plans for Spring / Summer 2021, and are in advanced discussions with Cheshire West and Chester on propositions that will work for visitors and local communities. We are utilising our partner networks of Destination Chester and Destination Cheshire to engage with businesses, councils and organisations such as BIDs to ensure that what we deliver meets their needs. Together we will work on a tourism recovery strategy which will integrate within the wider Economic Recovery Plan.

12. Over 2020-2021 we have seen significant growth in our digital channels, with a reach of over 4 million, which is a 16% increase on 2019-2020 despite a limited tourism opening period. Growth is all organic rather than paid which is much more meaningful for future engagement. We intend to maximise these new audiences as part of our marketing strategy this year.

#### Board and Sub-Board Recruitment

13. Interviews to fill the vacancies on the main Board and on a number of the Sub-Boards have all been completed. We have a separate item on the agenda setting out the proposed appointments. An exceptionally high quality field of around 40 people applied and we are proposing that 20 are appointed to one of the vacancies. I am extremely grateful to Ian Brooks and Alison Harkness for organising the process and to the Board members and local authority representatives involved in a very intensive round of interviews, resulting in a further strengthening of the non-executive directors that provide the leadership for the LEP.

#### LEP Website

14. We are in the final phases of completing the updated website which we expect to go live within two weeks. In the first instance this will refresh the layout and content while discussions continue regarding branding.

#### Coronavirus – LEP Operations

15. Following the publication of the government roadmap to the lifting of restrictions, we have agreed that the earliest staff will return to any office working is 21<sup>st</sup> June. In the meantime, we shall continue to work from home using virtual meetings as a matter of course. We shall keep our risk assessments under review, if necessary beyond June, to reflect government advice and continue our dialogue with staff over work arrangements.

#### Election Purdah

16. Elections for Cheshire's Police and Crime Commissioner and for all of the Councillors on Warrington Borough Council are due to take place on 6 May. Formal notice of these elections is due to be issued on 18 March, at which point we enter "election purdah" until the elections have taken place. During this period, publicly funded bodies such as the LEP must not issue any statements or make any decisions that could affect the outcome of

election. For the next seven weeks, therefore, we will be refraining from issuing press releases, making media appearances etc. but will be continuing with private meetings and other events that are not publicised, including the meetings we intend to hold to consult businesses and others about our recovery strategy. Marketing Cheshire will also be able to promote C&W as a great place to visit and shop as lockdown is released on 18 April as that is regarded as non-controversial ordinary business.

**PHILIP COX**