

CHESHIRE AND WARRINGTON LEP

CHIEF EXECUTIVE'S REPORT

JULY 2021

Summary

1. The next couple of months are likely to prove very interesting as we move into a world in which Covid becomes part of everyday life, and the Government increasingly shows its hand on how it intends to realise its net zero ambitions and deliver levelling up across the country. The LEP's focus over the past month has been on helping to ensure that C&W is well placed to take advantage of the announcements we expect in the autumn on net zero and helping businesses to successfully emerge from the pandemic.

Covid Restrictions

2. Board members will have seen the Prime Minister's announcement about the removal of the vast bulk of Covid restrictions from 19 July. He also acknowledged that this might mean that the number of infections might increase to 100,000 per day – three times their current level.
3. Although the easing of restrictions is welcome, the period after 19 July could prove particularly difficult for businesses as they deal, initially, with a higher levels of staff absence as more and more people self-isolate adding to the general staff recruitment challenges being faced more widely across the economy. In the more medium term, businesses could also face challenges in trying to balance pressures to continue to work in a Covid secure way against "returning to normal". Marketing Cheshire and the Growth Hub have been holding industry workshops to discuss all of these challenges.

LEP Ways of Working

4. The Executive Team has been doing its own thinking about how it should operate once restrictions are eased. We have focussed on the outward facing nature of our roles, meaning our offices will become places where we meet colleagues and stakeholders, rather than places where we sit at desks to process our emails. The transition to more face-to-face engagement is likely to be measured, heavily influenced by our stakeholders, but also reflecting that, as an employer, we need to be wary of the risks to our staff if infection rates do treble, as Sajid Javid has predicted. We will therefore be putting limits on the number of people we can accommodate in our offices and meeting rooms, keeping these under review as, hopefully, the pandemic subsides.

Growth Hub

5. The Growth Hub team is capitalising on the additional resources provided in this year's grant award from BEIS, enabling it to provide greater engagement with businesses to help them as they emerge from the pandemic and from Brexit. The separately funded Peer Network

programme is also now live, delivering 10 cohorts, with three launched and live in July including businesses ranging in turnover from £100k up to £11m. Looking forward the Growth Hub is developing its account management systems to provide more systematic use of intelligence to inform business support provision and is planning to conduct further surveys over coming months to improve its evidence base.

Growth Hub Website

6. Unfortunately, the Growth Hub website had to be taken down several days ago following an infection by malware that triggered unsolicited advertising. An investigation has been carried out and we concluded that, with the imminent launch of the new website, it would be more effective to accelerate the new site than attempt to repair the old one. The new site is now live.

Marketing Cheshire

7. Marketing Cheshire is working closely with local authorities to get out visitor and community messages ahead of 19th July reopening. Our work with Destination Chester and Cheshire West and Chester Council has secured over £300,000 of Welcome Back Funding. This follows Chester being named Staycation City of the Year in the i newspaper. At Cheshire level we have generated some positive recent coverage in national press, including a 4-page visitor supplement in the Telegraph. Possibly as a result of this, Marketing Cheshire's commercial income is beginning to return. It has signed up most of its pre-pandemic partners and brought in some new ones as well. It is also working on a draft of a C&W Destination Management Plan for 2021/22 to complement the LEP recovery plan.

Net Zero

8. The pace of work on our ambition to establish C&W as the first net zero industrial cluster and a world leader in zero carbon energy is accelerating. We are working with colleagues from across the North West to support Hynet's bid to the Government's competition for funding for the first two carbon capture and Hydrogen production projects in the UK, and on ensuring that that the region has a strong profile in the run up to and during COP26. We have also secured two years of funding for a post dedicated to helping land the £1 billion of projects identified in the Invest Net Zero Cheshire pipeline.

LEP Review

9. The LEP Review continues to progress very slowly, largely because, as has been reported here before, Government officials are also working on the Levelling Up White Paper. One consequence of the delay is that the core funding that LEPs usually receive at the start of April is being held up by the Chief Secretary to the Treasury who has said he thinks the funding should only be released once the conclusions of the LEP Review are clearer. The LEP Network is working very hard with Government officials and Ministers to get the money paid, and we are hoping this might happen before the summer recess. Our own Finance and

Audit Committee has been briefed by Ian and is content that we have sufficient cashflow to manage this in the medium term.

Vauxhall

10. Board members will have seen the press coverage announcing that Vauxhall's parent, Stellantis, will be investing £100 million into the Ellesmere Port plant so that it can switch production from Astra cars to electric vans, starting next year. This will secure the plant's future for the next ten years. The UK Government has provided a significant amount of support to help this happen, but the local support package, largely put together by Gemma Davies from Cheshire West and John Adlen from the LEP was also very important. This was acknowledged in the announcements made by both Stellantis and by the Secretary of State to Parliament.

Rachel Laver

11. I am delighted to be able to let the Board know that Rachel Laver has been appointed the new Chief Executive Officer at Marches LEP, which covers Herefordshire, Shropshire, Telford and Wrekin. Rachel has been with us since March 2017 and been a driving force behind the delivery of the Local Growth Fund programme, Life Sciences and Evergreen Funds, making a really valuable contribution to Cheshire and Warrington, as well as providing huge support to the Performance and Investment Committee. We will miss her knowledge and skills. She is likely to leave us in early October and I'm sure everyone will join me in wishing her every success. We will remain in touch through various networks and she will, of course, be one of our neighbours.

PHILIP COX