

## CHESHIRE AND WARRINGTON LEP

### CHIEF EXECUTIVES REPORT JANUARY 2022

#### Summary

1. This report covers the Christmas period, a period during which the bulk of the LEP's work was focussed on monitoring and attempting to mitigate as best as possible the impact of the Omicron Covid variant on the business community. Alongside this Joe continued his work on the possible components of a levelling up deal for C&W, reporting to Steve Broomhead as Chair of the Sub-Regional Management Board.

#### Covid

2. Many businesses were hit hard by Covid in the run up to Christmas. The Growth Hub and Marketing Cheshire kept in active touch with businesses in the run to and during Christmas, with the hospitality sector reporting substantial drops in business as the public responded to appeals by Ministers and health officials to limit social contact. Hotel occupancy in December was around 30 per cent lower than 2019 and the outlook for January and February is also poor due to staffing challenges and limited corporate bookings.
3. Business in the personal services and travel sectors have been reporting similarly poor levels of trade, whilst across the board all businesses have been struggling with high levels of absenteeism due to Covid. A number of logistics companies report re-negotiating contracts with customers to cope with staff shortages.
4. The Growth Hub and Marketing Cheshire have been undertaking a proactive communications campaign to make sure that businesses are aware of the financial help available to them to cover these pressures. We also took the lead in drafting a letter that was sent by the national LEP Network to the Chancellor asking him to provide more support for business given that the financial impact of the current Covid wave is much greater than last year because businesses do not have the benefit of the furlough scheme.
5. To support business into the New Year, Marketing Cheshire are promoting 'New Year, New Adventures' this month whilst Destination Chester and Destination Cheshire are working on Spring campaigns, including 'Spring Blooms' in Chester and the Cheshire-wide 'Our family welcomes your family.' Aside from marketing, the team are working on training and employment, including a new partnership with HMP Berwyn and Springboard to place prison leavers in hospitality jobs.

#### Levelling Up

6. The Government's Levelling Up White Paper has yet to be published. Officials have said it is likely to be published in late January, and Michael Gove has just agreed to make the keynote speech at the Convention of the North on 8 February, which suggests he is confident that the White Paper will have been published by then. We are getting indications that the White Paper

will include a series of strategic goals for 2030, which could range from Net Zero, to innovation, to addressing inequalities in life changes. However, we do not expect significant new funding to be announced beyond what has been agreed in the Spending Review. More locally Joe is continuing his work for the Sub-Regional Leaders Board on developing the evidence base and policy ideas for levelling up and a County Deal for C&W.

#### LEP Budget and Delivery Plan for 2022/3

7. The Whitehall internal budgeting round, which will set programme budgets for the next three years, is still underway and is unlikely to reach its conclusion until well into March. We therefore have very little sense of the level of funding we will get from central Government, or the things we will have to deliver with it. The paper from Ian which is due to be discussed under part B of the Board agenda proposes that, except where we know otherwise, we produce an initial budget that assumes that we will receive the same level of funding in 2022/3 as in 2021/2. We have also asked executive team members to identify key deliverables for 2022/3, working closely with Board members and drawing on the purpose pyramids that each committee has produced. These initial budgets and delivery proposals can then form the basis of final budgets and delivery plans once our funding is confirmed.

#### Annual Conversation

8. Our annual performance assessment, or Annual Conversation, with Government officials is due to take place on 4 February. In previous years LEPs have been graded from excellent through to “needs improvement” against a range of criteria. C&W has always scored very well against these criteria, always being within the top three LEPs in the country. This year, following the practice adopted during the height of the Covid crisis, the focus is simply on whether or not we have met the required standards on governance, delivery and strategy. Nevertheless we propose to send the Cities and Local Growth Unit (CLGU) a note highlighting the very many areas where we have gone well beyond minimum requirements during 2021/2.
9. The commitment of LEPs to transparent governance is one of the areas on which the Annual Conversation is focussed, and CLGU will therefore always ask us to show that we have systems in place that ensure that we are keeping a comprehensive and up to date register of members’ interests. We will be shortly sending an email to Board members asking them to update their returns using a new electronic system that we hope will be easier to complete and make it easier for the executive to collate and publish. I would be very grateful if Board members could respond quickly to the email, when it arrives.

#### Sustainable and Inclusive Growth Commission (SIGC)

10. SIGC is currently drafting a consultation document which it will use as a means of engaging with residents and stakeholders in C&W to seek their views and build support for the proposals that SIGC have been developing over the past twelve months. A draft of the document will be going to the Sub-Regional Leaders Board at the end of the month and one

of the papers for this Board meeting suggests that the Commission is invited to the February Discussion Forum.

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