

## CHESHIRE AND WARRINGTON LEP

### CHIEF EXECUTIVE'S REPORT

SEPTEMBER 2022

#### Her Majesty Queen Elizabeth II

Board members will be as saddened as I was at the news of the death of the Queen. We have put a statement onto our website and our social media channels offering our condolences to the Royal Family and expressing our gratitude for the Queen's life of selfless service. The statement has been circulated via email to all members of the Board.

A period of national mourning will run until the end of the day of her funeral, likely to be Monday 19 September. There is no requirement to stop either business or events during this period, but public bodies, especially, are asked to be thoughtful and respectful during this period (and particularly on the day of the funeral). Internal meetings will continue as normal, but we have decided to cancel the Board meeting planned for 14 September, and the event for former Board members planned for 12 September.

The LEP and Marketing Cheshire will also be limiting external communications to essential public information, such as issuing details via Visit Chester and Cheshire about memorial events and the proclamations of the accession of the King that will take place in a number of towns across C&W over the next few days.

#### The New Government

1. Very few of the Ministers that have been appointed by Liz Truss are returning to their old jobs, so it will take some time for them to get to grips with their new briefs and for us to be able to discern where their priorities lie. Some of the key appointments, and the issues they face include:
  - Simon Clarke, the new S of S for Levelling Up. Simon has been in the department before (when it was DCLG) and was the Minister for LEPs. It will be interesting to see how he approaches levelling up and the priority he attaches to devolution;
  - Jacob Rees-Mogg the new S of S for Business, Energy and Industrial Strategy. It will be particularly interesting to see how policy develops in this department with Graham Stuart as the department's Minister for Climate and attending Cabinet. Mr Stuart is the vice-chair of the Global Legislators Organisation for a Balanced Environment (GLOBE)

#### LEP Review

2. Although the Board meeting has been cancelled, we have still sent out the papers that had been prepared. They include a set of slides which are designed to take the Board through the work we have been doing over the past few months on the review of the LEP's role and structure following the Ministerial letter of 31 March. Towards the end of the pack there is also a slide that sets out a potential future operational structure for the LEP that, in the

Executive team's view, would balance the budget and allow the LEP to respond to the new role that Ministers have asked us to play.

3. Our plan had been to briefly take the Board through the slides but delay substantive discussion until the Awayday on 30 September / 1 October. We have kept them in the Board pack to give Board members a chance to review them in advance of the Awayday and would be happy, between now and then, to answer any questions of clarification. They remain a work in progress, and we have built in three opportunities for the Board to consider and agree the final conclusions before we have to submit our them to Government officials on 25 November.

#### Cost of Living Crisis

4. The death of the Queen meant that we did not get the full details of the energy package announced by the new PM on Thursday, so we do not yet know how much it will mitigate the impact of recent energy price rises. However, we do know, even before those increases, that one in nine people in C&W were in fuel poverty, and that many businesses were reporting their increasing concern about the impact of energy costs – albeit with a surprisingly small number reporting that those costs were threatening their solvency. To improve our understanding of the picture, the Growth Hub had been intending to issue a short survey to the business community about the impact of energy and other price increases. That will now be delayed until after the Queen's funeral.

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

5. The final report from SIGC was presented to the Leading Cheshire and Warrington Leaders Board at the end of July. They welcomed it and asked officers to develop plans to deliver on its recommendations. Given the number of recommendations in the report officers are planning to offer Leaders an early stage plan at the end of September, focussing on a small number of "quick wins", including a first draft Fair Employment Charter on which Meliisa Crellin has been working with Louise Gittins. A more detailed and longer term delivery plan will go to the Leaders' Board in November.

#### Cheshire Science Corridor

6. The Cheshire Science Corridor Enterprise Zone (EZ) is regarded as one of the best performing EZs in the country and has helped build Cheshire and Warrington's reputation for science and innovation. We are developing proposals for the future development and promotion of the Corridor. As part of this we want to focus on our strengths in animal health sciences including businesses in our rural areas. As a first step we have agreed to work more closely with Chester Zoo within the Science Corridor due to its leadership on animal sciences, biodiversity, and sustainability. We will be holding a roundtable discussion with Chester Zoo and wider partners including Reaseheath College and the University of Liverpool's school of veterinary science at Leahurst.

## Marketing Cheshire

7. The cost of living crisis has begun to impact the visitor economy sector. A recent VisitBritain consumer insights report found that many people are booking cheaper accommodation and looking for free things to do. Attractions and events are indicating that they are about 85% of normal targets, though some of this may also be attributable to a slower start to the summer season. On the positive side, Cheshire and Warrington are well placed to capitalise on current consumer sentiment and many of our businesses continue to perform well. Signature events, such as Creamfields and RHS Tatton, were well attended and we saw good demand for late night opening at Chester Zoo, and outdoor cinema and theatre. Marketing Cheshire continues to work its business partnership in the short-term and is developing its future strategy with its board including a focus on the best of Cheshire.

## Skills Bootcamps

8. Our original bid to DfE for funding for Skills Bootcamps was based on some firm indications from training providers about the courses they would run if our bid was successful. Unfortunately a significant proportion of those expressions of interest did not crystallise into firm offers and we will therefore be re-opening the bidding process. In contrast to the first round, which was focussed on courses which we had been told had pent up demand, we will be adopting a new approach offering as much flexibility as possible to training providers and, creating them to create “programmes of courses” large enough to be of interest to our FE colleges.

## Devolution

9. Greg Clark returned to the Levelling Up Department as interim Secretary of State following Boris Johnson’s resignation and managed to conclude two devolution deals – York and North Yorkshire and the East Midlands (covering Derbyshire, Derby, Nottinghamshire and Nottingham). Both have agreed to have a mayor and in return have been granted 30 year investment funds worth around £600 per head of population. We will have to see whether Liz Truss’s administration is willing to do similar deals with other places, but if they are, an equivalent deal for C&W would be worth £20 million per annum.

## LEP Budget and Forecast Out Turn 2022-23

10. The board will recall that they agreed that this year’s budget for the LEP would be set at a level that would require £586k to be taken from reserves in order to allow a smooth transition to the new organisation post LEP review in 2023-24. The Board also asked the Executive to seek ways to reduce this deficit. The latest estimates, which have been discussed in detail by the finance and audit committee are that the demand on reserves will reduce to £331k. This main sources of the improvement in our position are:

- Additional interest income (higher interest rates) £105k
- Reduced staff costs (using existing staff for bootcamps) £ 70k
- Reduced operational expenditure (e.g. travel, contingency) £ 80k

Joe Manning

11. As colleagues know, Joe's son Magnus was born just before Easter and he and his wife are keen to have some proper time together as a family. He will therefore be taking an extended period of leave running from 12 September, returning on Monday 7 November. He will, however, be breaking into that to join the LEP Awayday on 1 October. While he is away Joe's work will be covered by the Ian, Andy Devaney and myself.

**PHILIP COX**