

CHESHIRE AND WARRINGTON LEP

CHIEF EXECUTIVES REPORT

1. The end of the EU transition period and the lockdown announced by the Prime Minister on 4 January have been the two main economic events of the past few weeks.

Covid Lockdown

2. Despite EU transition happening at the same time, the main focus of businesses has still been on the impact of the Covid restrictions. They have found it particularly difficult to deal with the very short notice they have been given of change in restrictions, and even though the Chancellor announced additional grants following the lockdown announcement, a number are reporting that these do not cover the cost of the stock they had bought in and then had to destroy. To mitigate this for the future, they have asked for a clear timetable for the roll out of the vaccines and open and transparent reporting of progress against it. This will help them judge when to begin preparations for re-opening. A number of business owners are also starting to report that they are mentally exhausted and feeling very alone. CW&C has launched a programme to provide support to business owners, as have the Federation of Small Businesses (FSB)
3. The LEP had planned to invite bids in January for the final tranche of its small capital grants fund. We have decided to suspend this until restrictions begin to ease. Through, Marketing Cheshire, however, we are continuing to promote the sub-region through the website, through social media and through a monthly two page spread in Cheshire Life. We are, though, being careful to ensure that what we are issuing respects the current “stay at home” instruction that the Government has issued.

EU Transition

4. Significant contingency plans were put in place to deal with the end of the EU transition period, including an Inland Border Facility (IBF) in Warrington capable of handling 700 vehicles a day. The Government pressed ahead with implementation of the deal on 1 January, despite having only reached agreement on 24 December and getting Parliamentary approval on 30 December. Partly thanks to some hard work by the Chambers of Commerce, (partially funded by the LEP) to help companies with their export documentation, the first week of the new arrangements passed relatively uneventfully. The LEP Growth Hub received very few enquiries about the terms of the deal and the capacity of the IBF is being reduced to 200 vehicles a day.
5. As the details of the agreement with the EU have begun to be digested, issues are beginning to arise, particularly with VAT and rules of origin. The LEP will keep in close touch with businesses over the next few weeks through the Growth Hub and the Cheshire Business Group to get as much early warning as possible of issues that might cause significant economic disruption.

Workforce Recovery

6. The LEP and the LAs have been working closely with DWP on measures to ensure that the unemployed get as much support as possible to get back into work including using the Pledge's digital platform to run regular on-line job fairs.
7. The under-25s were due to be offered six month placements through the Kickstart programme. This has got off to a slow start because of delays in the national team undertaking the processing of placement offers from employers. Locally, we are looking to get clarity on the number of places available to young people before approaching employers to generate more offers. The Chancellor also announced the Restart programme, providing a guaranteed job offer for the long term unemployed. That will be delivered by private sector contractors and Pat Jackson has volunteered to be the LEP representative for the procurement of the contractor for the North West. Cheshire DWP colleagues and the LEP are also talking to senior officials in the department about the offer to people who become unemployed after a long period of being furloughed.

LEP and Marketing Cheshire Board Vacancies

8. We have extended the closing date for applications for the LEP/MC Board and Committee vacancies to 18 January as the first week of the New Year for most business people was consumed by the lockdown announcement. I am delighted to report that we are being inundated with interest. Interviews for the LEP Board will be undertaken by a panel of three people chaired by Robert Davis and includes Russ Bowden, Leader of Warrington, as a representative of the LAs. The Marketing Cheshire panel will be chaired by Steve Broomhead, Chief Executive of Warrington.

Levelling Up Fund

9. The Government has said that any bids for funding from the Levelling Up Fund must be supported by the local MP. Over the past couple of years, the LEP has provided funding to assist with the development of business cases for bids for Government funding. In light of the Government's statements about the Levelling Up Fund, the LEP has been developing proposals to involve local Place Teams, and through them local MPs, in putting bids to the LEP's Business Case Fund. A fuller paper will be put to the Strategy Committee on 12 February.

Freeports

10. As the Board is aware, the Government has invited bids for the establishment of a number of Freeports across England. The deadline for bids is 5 February and the criteria that have been adopted would make it difficult to sustain a bid from C&W on its own. The LEP and the LAs are in active discussion with Liverpool City Region about whether a site or sites in C&W could be part of their bid. The LCR CA meets on 22 January to approve their bid in principle and we will need to have confirmed, by then, whether we wish to participate in their bid or not.

PHILIP COX