

## **CHESHIRE AND WARRINGTON LEP**

### **CHIEF EXECUTIVE'S REPORT – NOVEMBER 2021**

#### Summary

1. We have had a very busy month with significant national policy announcements at COP26 and in the Chancellor's Autumn Statement and Spending Review. There have been events and conferences that have brought together key stakeholders across Cheshire and Warrington and the North-West to discuss our local vision and priorities.

#### Autumn Budget and Spending Review

2. The UK Government Autumn Budget and Spending Review was delivered on 27<sup>th</sup> October 2021 by Chancellor Rishi Sunak, which includes 3-year department budget settlements to 2024/5. The Chancellor echoed the view previously stated by the Prime Minister that the UK needs to move to a 'new economic model' with a high-skills, high productivity economy. Key priorities were set out including levelling up; net zero; education, jobs, and skills; healthcare; crime and justice. A separate paper has been provided to the Board that summarises the Budget and Spending Review position.

#### COP26 and Net Zero

3. In advance of COP26 the Government published its Net Zero Strategy setting out how it plans to meet the country's legally binding climate goals out to 2050. In a foreword, the prime minister Boris Johnson says meeting the UK's targets is "the greatest opportunity for jobs and prosperity for our country since the industrial revolution".
4. With the publication of the strategy, the UK now has firm commitments or "ambitions" to end the sale of combustion-engine cars and vans by 2030, end gas boiler sales by 2035 and have a fully decarbonised power system by the same year. The Strategy has been broadly welcomed as a comprehensive assessment of the full economy scale of transformation required. The debate has now shifted to the costs and how the policy measures will be funded.
5. We have been on platforms at COP26. Clare Hayward and Cllr Louise Gittins spoke at events in Glasgow. The region was well represented in Runcorn and Manchester fringe events. We have championed our vision for a sustainable and inclusive economy, talked about the importance of Hynet, outlined the breadth of economic opportunities locally from agriculture to transport, and highlighted the importance of green jobs and skills. Melissa Crellin will provide the Board with a verbal update on the national policy outcomes of COP26 and key messages for the North-West.

#### Levelling Up

6. We have begun work between the LEP and three Local Authorities on how we can level up in Cheshire and Warrington. This scoping work will set out how far the sub-region can achieve its ambitions by using existing powers and funding; what could only proceed with additional funding, possibly from sources such as the forthcoming UK Shared Prosperity Fund; and what could only be delivered via additional powers, freedoms or flexibilities secured through a

County Deal. This will provide us with a strong platform for both discussions with Government and local stakeholders.

7. In the Finance Bill published in parallel with the Chancellor's Autumn Statement there were four principles in the section of Levelling Up:
  - spreading opportunity and improving public services, particularly where weaker;
  - boosting living standards, particularly where they are lower;
  - restoring local pride;
  - empowering local leaders and communities.
8. These four principles may provide a framework for the Levelling Up White Paper which is due to be published shortly. These principles are also in line with our vision for a healthy, sustainable, and inclusive economic recovery from Covid19.

#### LEP Economic Summit and Cheshire and Warrington Leaders Conference

9. Cheshire and Warrington Leaders came together on Thursday 5<sup>th</sup> November in Warrington. This was a good chance to network locally, reflect on the Spending Review, and discuss a wide range of topics. The LEP team ran sessions on skills and transport.
10. We held the LEP AGM and Economic Summit in October. This was our first hybrid event. We had a good turn out at Chester Racecourse as well as lots of viewers online.
11. We focused the event on Net Zero. Our keynote speakers, Caroline Rush, Chief Executive of the British Fashion Council, and Professor Sir Dieter Helm an academic from the University of Oxford, gave us a national view of the business and policy environment. We also heard from Juliette White, Astra Zeneca; Jamie Christon, Chester Zoo; and Adrian Curry, Encirc, about the sustainable leadership being shown by businesses in Cheshire and Warrington.

#### Business intelligence - Growth Hub and Marketing Cheshire

12. Energy costs increases continue to cause pressure on businesses, particularly those with high energy consumption. Businesses in all sectors are reporting high operating costs to increases in costs of labour, materials, and distribution. This is reducing profitability for many and providing a challenge in cashflow for smaller operators. Recruitment remains a challenge for most sectors, with shortages from hospitality to HGVs.
13. The Growth Hub and Marketing Cheshire teams continue to provide support for business inquiries - as well as running pro-active schemes such as the BEIS peer to peer networks or DWP's Sector-based Work Academy Programme. Marketing Cheshire is also increasing promotional activity for the visitor economy in the run up to Christmas in partnership with the Destination Chester and Destination Cheshire networks.

#### Philip's absence

14. Philip's operation in October went well. He has been absent for the last month for rehabilitation and will have a phased return over the coming weeks. We have been dividing the workload between the management in his absence.

**JOE MANNING**