



**MEETING OF LIVERPOOL CITY REGION
LOCAL ENTERPRISE PARTNERSHIP
BOARD**

AGENDA

DATE: Thursday, 18th January, 2018

TIME: 8.30am to 11.00am

VENUE: L2 Conference Room, Peel Ports Group Ltd, Maritime Centre, Port of Liverpool,
Liverpool, L21 1LA

**LIVERPOOL CITY REGION
LOCAL ENTERPRISE PARTNERSHIP
BOARD**

AGENDA

WELCOME FROM MARK WHITWORTH, CHIEF EXECUTIVE, PEEL PORTS GROUP LTD

- 1. LJLA MASTERPLAN AND 2030 VISION (PR)**
- 2. DECLARATIONS OF INTEREST**
Board members to declare any interests in items under consideration.
- 3. MINUTES OF THE PREVIOUS MEETING**
(Pages 1 - 10)
- 4. NORTH WEST LOCAL ENERGY HUB (P)**
(Pages 11 - 14)
- 5. LOCAL GROWTH FUND Q2 DATA RETURN (P)**
(Pages 15 - 20)
- 6. THE LIVERPOOL BRAND - TAKING THE NEXT STEPS (P)**
(Pages 21 - 24)
- 7. SKILLS (PR)**
- 8. INTERNATIONAL BUSINESS FESTIVAL (V)**
- 9. CHAIR'S UPDATE (V)**
- 10. ANY OTHER BUSINESS**
The next meeting of the Board is to be held on Thursday 22 March 2018 at 8.30am.

Key - (V) – Discussion/verbal update no paper
(Pr) – Presentation
(P) – Paper

Agenda Item 3

LIVERPOOL CITY REGION LOCAL ENTERPRISE PARTNERSHIP

At a meeting of the Liverpool City Region Local Enterprise Partnership held in The Blue House, Cammell Laird, Campbeltown Road, Birkenhead, CH41 9BP on Thursday, 30th November, 2017 the following Members were

PRESENT:

Asif Hamid MBE (Chair)
Dr Laura O'Brien
Paul Corcoran
Councillor Phil Davies
Dr Jonathan Hague
Amanda Lyne
Councillor Andy Moorhead
Metro Mayor Steve Rotheram
John Syvret CBE
Neil Sturmey
Professor Nigel Weatherill
Mark Whitworth

APOLOGIES:

Mayor Joe Anderson OBE
Professor Janet Beer
Kath Boullen MBE
Councillor Barrie Grunewald
Mike Houghton
Councillor Ian Maher
Councillor Rob Polhill
Angela White OBE

291. WELCOME

Prior to the start of the meeting, as the host organisation, John Syvret CBE, Chief Executive, Cammell Laird, gave a presentation which set out the following:-

- Explained Cammell Laird's history, in particular noting, that it had enjoyed a great many successes within the shipbuilding industry, however during the 1990's the organisation had closed with a loss of 5,000 jobs.
- Placed on record his thanks to Councillor P Davies, Leader of Wirral Borough Council, Wirral Borough Council and Peel Ports for the support they had provided to Cammell Laird to enable it to re-open and continue to grow.
- Since then the organisation had re-opened and now employed 1,300 people directly with a further 500 people employed indirectly. The organisation had diversified to enhance its longevity and now provided services within the following industries:-
 - Commercial Marine
 - Heavy Fabrication
 - Renewable Energy
 - Civic Nuclear
 - Defence Services
- Showed a short video which highlighted the issues outlined above.
- In conclusion, confirmed that Cammell Laird had recently secured the order for the Red Funnel Ship. Furthermore, it was envisaged that the shipyard would shortly see the return of naval shipbuilding.

The Chair thanked John Syvret CBE for the presentation and hospitality provided.

292. INTERNATIONAL BUSINESS FESTIVAL (PR)

Max Steinberg CBE, Chief Executive – Liverpool Vision, gave a presentation which reported that the International Business Festival (IBF) 2018 would be hosting more than 40 major global events across 9 high growth sector themed days from 12 – 28 June 2018.

The Board was informed that despite the impact of Brexit the interest from across the globe in attending the Festival had been higher than that hosted in 2016.

The presentation highlighted the following:-

- Summarised the impact the Festival had had across the City Region during 2016 for those organisations who had attended. In particular, noting that companies based in Wirral, Sefton and Knowsley had all secured additional sales.
- Indicated that the format for the Festival had changed from 2016, with each day having a specific theme and also being sponsored.
- To date, sales for the Festival had reached 85% and continued to generate interest.
- Highlighted that 'SheTrades Global' which was an international Trade Centre Global initiative would be in attendance at the Festival and it was hoped that Sheryl Sandberg, COO of Facebook would also be attending the Festival.
- Outlined some of the key partners and media links which had been developed to promote the Festival, including the £5million granted from the LCR MCA Single Investment Fund (SIF) to support the hosting of the Festival.
- Set out a number of key dignitaries who would be attending the Festival and confirmed that the Prime Minister, Theresa May, would be opening the Festival.
- Approximately 12,000 delegates had confirmed their attendance to date and work continued to secure 36,000 delegates at the Festival.
- Explained how the Festival promoted Liverpool City and the City Region as a place for business.

In response to the presentation, Board Members raised the following:-

- Clarity was sought on what had been learnt from previous International Business Festivals and whether this had influenced the design of IBF 2018?
- In response to this question, the Board was informed that the IBF had been promoted a lot earlier and independently rather than relying on Government channels which had generated a greater deal of interest. From February 2018 events would be hosted to engage local businesses in the IBF and for them to understand what benefits attending the Festival could bring.
- Councillor A Moorhead highlighted the importance of raising awareness with Schools and Education establishments from across the City Region to inspire young people to consider the diverse career options available to them.
- In response to this question the Board was informed that day tickets were available for Schools and a youth programme was also being developed.

Furthermore, it would be beneficial if the relevant education leads from each Local Authority would be able to work with the IBF team to identify how best to engage with young people across the City Region.

- The Board was informed that a Skills Show event was held during the course of IBF which was targeted at young people and could be linked into the wider youth programme.
- Councillor P Davies sought clarity on how local businesses were being engaged into participating in the IBF?
- The Board was advised that some awareness rising would take place through local Chamber of Commerce's, however there was a reluctance amongst some sectors of the business community to engage with the IBF.
- Amanda Lyne outlined the difficulties SME's faced in trying to attend the IBF, particularly when some did not understand how the Festival could benefit the growth of their company.
- An update be provided to this Board at a future meeting which explains the steps being taken to work with SME's to demonstrate how the Festival could support the growth of their business and the benefits they would gain from attending.
- The Board emphasised the importance of ensuring the IBF reflected the sector priorities of the LEP and provided an opportunity to showcase what the City Region had to offer investors.
- The Board also suggested that case studies of City Region businesses that operate on a global scale should be made available at the Festival.
- Confirmation was sought that a 'Liverpool City Region' stand would have a presence at the Festival.

It was AGREED that:-

- (i) Max Steinberg CBE be thanked for his informative presentation;
- (ii) a further update be brought to a future meeting of this Board, which outlines how SME's are being engaged in the IBF; and
- (iii) a list of businesses from across the City Region which have been contacted to engage in the Festival be shared at the next meeting of this Board.

293. DECLARATIONS OF INTEREST

The Chairman highlighted the importance and sought any declarations of interest from Board Members.

No declarations of interest were declared by Board members.

294. MINUTES OF THE PREVIOUS MEETING (P)

The minutes of the meeting of the Board held on 5 October 2017 were received as a correct record and signed by the Chair.

The Chairman informed the Board that Chris Bliss had now formally resigned from the LCR Local Enterprise Partnership after announcing this at the last meeting. On behalf of the Board he wished to place on record his thanks for the work Chris had undertaken as Champion for the Visitor Economy Board. He reported that under written procedures Sara Wilde McKeown had been proposed as Chris's replacement.

It was reported that this had been endorsed and it was now AGREED that Sara Wilde McKeown be nominated as Champion for the Visitor Economy Board and be their representative on the LCR Local Enterprise Partnership.

Minute 272 – Board Composition

It was reported that new Board Members would each be provided with a briefing outlining the work of the LCR Local Enterprise Partnership. To accompany this briefing the slides supporting Item 4C 'Boards/Sub Board Structure and Composition' would be circulated to all Board Members.

It was further reported that consideration would be given to ensuring an appropriate gender balance across the LCR Local Enterprise Partnership. To support this, nominations were sought for a Diversity Champion.

It was AGREED that Professor Nigel Weatherill and Dr Laura O'Brien be appointed as the Diversity Champions.

Minute 283 – Employer Skills Survey

Paul Corcoran reported that a number of meetings had been held with the Employment and Skills Team to progress the issues which had been raised at the last Board meeting.

Minute 284 – Vaccines Development and Manufacturing Centre Call

The Board was informed that a local, commercially-led bid for the Vaccines Development and Manufacturing Centre could not be developed due to the timescale, which was too short for industry partners to lead. However, local partners were involved in a wider northern bid with support of the University of Liverpool and Seqirus.

Minute 288 – Local Growth Deal Implementation Major Transport Schemes

Frank Rogers reported that at the meeting of the LCR Combined Authority on Friday 20 October 2017 the Full Business Case for the City Centre Connectivity Scheme had been approved. One component of the Scheme related to improvements to The Strand, as such continued dialogue would take place with key stakeholders. As part of this process it was suggested that a presentation be provided to the next meeting of the Board to explain the Scheme and the proposals to improve traffic management in the City Centre.

Board Members highlighted their concerns regarding the timeframe in which the Board considered reports. It was noted that the Board's role was to provide strategic advice in such matters and to do this effectively consideration would be given to ensuring the timely receipt of reports.

Minute 285 – LEP Sub Boards, Structure, Purpose and People

The Board was informed that information would be circulated which set out the Boards structure.

295. NEY REVIEW (P)

The Board considered a report from Tony Wade, Finance Director, which advised the Board on the recommendations of the recently published review by Mary Ney on governance and transparency of Local Enterprise Partnership's. The report also set out a number of key actions for the LCR Local Enterprise Partnership Board to consider as a consequence of the Ney Review.

It was reported that the review was in response to concerns relating to governance and transparency within LEP's, which was also taken alongside a Ministerial review of LEPs which sought to identify how their role could be strengthened to assist in delivering the Industrial Strategy. The Review considered seven areas of LEP governance which were as follows:-

- Culture and Accountability;
- Structure and Decision-Making
- Conflicts of Interest;
- Complaints;
- Section 151 Officer; and
- Transparency

It was noted that the findings and recommendations of the Ney Review were generic and reflected that some LEPs already had robust governance arrangements in place. The Government had accepted all the recommendations arising from the Review and had tasked the Department for Communities and Local Government and BEIS to work with LEP's to implement the recommendations. This process was facilitated by a LEP Network event held on 10 November, the outcome of which would be consolidated into a best practice document to be published on 28 November 2017. Furthermore, the Annual Conversation meetings would provide LEP's with an early opportunity to discuss their compliance with the recommendations from the Review.

It was reported that this LEP was in a strong position to successfully implement the recommendations arising from the Review. Furthermore, it would also be important to demonstrate how the LEP worked in partnership with the LCR Combined Authority.

During the consideration of this item, Board Members examined the possibility of holding the LEP meetings within the public domain. It was noted that the agenda documentation for LEP meetings was available for inspection on the LEP website and further consideration would be given to this matter following the outcome of the recently announced Government review of the work of all 38 LEPs.

It was AGREED that the recommendations of the Ney Review (Annex A) and the LCR LEP actions set out at paragraph 7 of the report now submitted be noted.

296. ANNUAL CONVERSATION (P)

Tony Wade reported on the revised approach to the Annual Conversation which was set out in the recently published guidance note produced by The Cities and Local Growth Unit.

It was reported that The Annual Conversation was a formal review between LEPs and government and provided an opportunity for the performance and governance frameworks of LEPs to be assessed and if deemed unsatisfactory they could be penalised as a consequence. Therefore, it was imperative that any performance issues were clearly articulated.

The Board was informed that the prescribed submissions for the Annual Conversation, which would be taking place on 11 December 2017, had been circulated under separate cover to Board Members for their consideration. The Chairperson encouraged Board Members to consider the prescribed submissions and provide feedback on their content, particularly as they would support wider discussions with Government at the Annual Conversation.

It was AGREED that:-

- (i) the Board noted the requirements contained within the guidance which was circulated under separate cover;
- (ii) Board Members provide feedback on the draft prescribed submissions in advance of the Annual Conversation; and
- (iii) the prescribed submissions be approved ahead of the Annual Conversation on 11 December 2017.

297. BOARD/SUB BOARD STRUCTURE & COMPOSITION (PR)

Mark Basnett provided a presentation which set out the LEP structure, in particular highlighting the purpose and representation on the Sub Boards.

The presentation set out the following:-

- Summarised the role of the LEP Sub Boards and the Advisory Groups as follows:-
- Explained the membership of the Advisory Council and highlighted that its function was to provide a wide-ranging stakeholder group which considered the LEP Board's economic strategy and its progress towards the achievements of its economic strategy;
- Set out the membership of the Making it Board, which was Chaired by Mike Houghton (Siemens) and outlined how the Board set direction and oversaw delivery on advanced manufacturing across the City Region by bringing together businesses, policy makers and delivery partners to ensure the sector was globally competitive;
- Outlined the role of the Digital and Creative Board which acted as the dedicated high-level, multi-sector leadership group which promoted and accelerated the growth, productivity and competitiveness of the sector across the City Region and the wider national and international context. This Board was co-chaired by Paul Corcoran (Agent Marketing) and Lee Omar (Red Ninja);
- Explained how the Business and Professional Services Advisory Group comprised of Professional Liverpool members and others in the City Region business community. The Group was interested in driving forward a strategy for growth in the sector. This Board was chaired by Steve Stuart (Brabners);
- Reported that the Health and Life Sciences Board was chaired by Peter Timmins and aimed to stimulate and support economic growth across the City Region Health and Life Sciences sectors by providing expertise and leadership that would direct and support co-ordinated action to achieve strategic goals;
- Summarised how the Low Carbon Board worked together to drive forward economic growth in the Low Carbon sector and was chaired by Amanda Lyne (Burgundy Gold);
- Set out how The Superport Board was responsible for developing policy and delivering projects on the freight and logistics agenda. It was chaired by Bernard Molloy (Unipart Logistics) and the Board sought to bring together businesses, policymakers and delivery partners to drive the Superport agenda;
- Explained that the Visitor Economy Board oversaw progress on the delivery of the Destination Management Plan and sought to shape and develop the vision and strategy within the visitor economy and monitor the performance across the City Region. This Board was chaired by Sara Wilde McKeown (Influential);
- Highlighted the work of the Enterprise Advisory Board which was chaired by Asif Hamid MBE and comprised of private sector leaders to gain insight into the

- needs, challenges and opportunities of starting, growing and supporting business more effectively;
- Set out how the Internationalisation Working Group was overseeing and steering the development of the Internalisation Strategy and Action Plan for the City Region and was chaired by Asif Hamid MBE;
- Explained how the Innovation Board was the City Region's innovation-related strategic advisory, prioritisation and advocacy body and was chaired by Dr Jon Hague (Unilever); and
- Highlighted the work of the Employment and Skills Board which brought together business and civic leaders to lead on employment and skills activity in the City Region on behalf of the Combined Authority and the LEP Board and was currently chaired by the Vice Chair Stephen Roberts (Visitor Economy).

Councillor P Davies recognised the important work each Board conducted and recognised that in some instances there were synergies with the respective Portfolio Holders from the LCR Combined Authority. To align the activity with both bodies it was suggested that the Portfolio Holder should be invited to join the membership of the relevant Board as outlined above.

It was AGREED that:-

- (i) the presentation be noted;
- (ii) LCR Combined Authority Portfolio Holders be invited to join the respective Board; and
- (iii) the terms of the following Board Members be extended as detailed below:-
 - a. Kath Boullen's term of office to cease on 31 August 2018;
 - b. Amanda Lyne's term of office to cease on 18 September 2019; and
 - c. Professor Nigel Weatherill's term of office to cease on 11 March 2020.

298. LOCAL GROWTH DEAL IMPLEMENTATION - MAJOR TRANSPORT SCHEMES (P)

The Board considered a report which sought approval to agree the Transport Advisory Group recommendations to fund a revised programme of works for years four and five of the Silver Jubilee Bridge (SJB) maintenance scheme at a cost of £2.2m. It was reported that the Transport Advisory Group had recommended that the additional funding be sourced from unallocated LGF1 funding through the approved change control process and assurance framework for LGF1.

Members noted the report and in doing so expressed their concerns that the additional works had not been identified when the initial business case had been drafted and considered.

It was AGREED that:-

- (i) the proposal for £2.2m of the remaining LGF1 funding to be allocated to the Silver Jubilee Bridge maintenance scheme, in accordance with the LGF 1 Assurance Framework be approved;
- (ii) the scope of works included in the original programme be changed to accommodate the time limited opportunity to undertake major maintenance works to the arch superstructure whilst the bridge was closed be noted; and

- (iii) the works included in the original business case for completion in years 4 and 5 now be re-prioritised as part of the LCR transport pipeline refresh and it be noted that funding for these original works was not being sought from LGF1.

299. SKILLS UPDATE (V)

The Board considered a presentation from Sue Jarvis which set out the progress made to date in developing the Skills Strategy. It was reported that a significant number of stakeholders had been invited to stakeholder workshops along with 60 to one to one session's to broaden the perspective of the Strategy.

The presentation highlighted the following key issues:-

- Set out the overall framework for the Strategy which included a vision and 6 outcomes; and
- Identified how 5 of the 6 outcomes would be measured to determine their success and a number of proposed actions to support this.

During its consideration of the presentation, the following comments were made by Board Members:-

- Welcomed the outcome focus of the Strategy and emphasised the importance of ensuring the outcomes were sufficiently challenging and aspirational.
- Dr Jonathan Hague highlighted that three of the LEP Sector Boards had promoted the work of STEM into schools. It was suggested that this work should be presented to a future meeting of this Board and the approach should be rolled out to schools across the City Region;
- It was acknowledged that identifying the future skills need was challenging however, broad skills within the field of robotics, innovation and science would be essential.
- The Metro Mayor highlighted that the Skills Strategy would provide the starting point for the City Region as it currently had the lowest NVQ level 3 take up rates. It was important that basic skills training was available within the City Region which would then act as a catalyst for individuals to expand their training needs. This was highlighted through the example of harnessing the power of the Mersey that this would provide a unique opportunity and need to have people ready with the appropriate skills to support this.
- The education provision across the City Region was fragmented and to address this, the LCR Combined Authority would be seeking the development of a Regional Schools Commissioner who would report directly to the Metro Mayor. The Regional Schools Commissioner would be able to influence schools to provide the appropriate skills training which the City Region required.
- Paul Corcoran emphasised the importance of ensuring the Skills agenda provided an ambitious platform to enable people to access a wide variety of employment opportunities and encouraged them to be excited and challenged by those opportunities. Furthermore, consideration also had to be given to the obstacles people faced and the City Region's role in supporting people to overcome those challenges.
- John Syvret CBE explained the challenges facing Cammell Laird in recruiting and training personnel and highlighted the difficulties the Apprenticeship Levy system presented in ensuring future training needs could be delivered to ensure the continued development of the organisation.
- The Metro Mayor informed the Board that the LCR Combined Authority had made continued representations to Central Government suggesting that the residual underspend of the Levy should be redirected into the Combined

Authority to support the skills agenda; however they had continued to refuse to consider this option.

- The Board suggested that future job opportunities should be included within the narrative of the Skills Strategy which would be evidenced by case studies such as STEM.

It was AGREED that:-

- (i) the presentation be noted;
- (ii) a Skills Show for IBF 2018 be developed;
- (iii) a guide on the Apprenticeship Levy and how it can be utilised be drafted supported by an Open Forum with representatives from Central Government, Sir Charles Mayfield and other key stakeholders be invited;
- (iv) the Skills Strategy reflects the importance of supporting a culture change and encouraging ambition across the City Region; and
- (v) case studies be included within the Skills Strategy, particularly around the STEM into schools programme.

300. LOCAL INDUSTRIAL STRATEGY (V)

The Board was informed that the Government's Industrial Strategy was launched on Monday 27 November 2017. To reflect the national agenda the LCR Combined Authority and the LEP would be looking to develop a City Region Industrial Strategy. This Strategy would reflect the Local Growth Deal and would be published in March 2019.

It was AGREED that the update be noted.

301. CHAIR'S UPDATE (V)

The Chair informed the Board of the following matters:-

- Opportunities to exhibit the City Region at a Business Conference in Dubai on 5 April 2018 be explored further;
- Thursday 7 December a cross collaboration with all LEP Sub Boards was taking place and all LEP members were invited to attend; and
- Progress was being made on the Metro Mayor's vision for a one front door approach for businesses in the City Region and a report setting out the implications of this would be brought to a future meeting. An early action to support this initiative was the agreement to relocate the IBF Team to Mann Island.

Minutes 291 to 301 be received as a correct record on the 18th day of January 2018.

Chairperson of the Board

(The meeting closed at 11.11 am)

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North West Local Energy Hub

LEP Board Meeting 18 January 2018

Author:
James Johnson
Liverpool City Region LEP

Presented by:
Mark Basnett
Liverpool City Region LEP

1. EXECUTIVE SUMMARY/PURPOSE OF REPORT

- 1.1 This paper has been prepared by the Low Carbon Economy Team at the LEP.
- 1.2 This paper describes a proposal to create a North West Local Energy Hub and the lead role that the Liverpool City Region will take. It seeks approval from the LEP Board for the managing director and staff to work with the Liverpool City Region Combined Authority on a suitable delivery vehicle for the Hub.

2. RECOMMENDATIONS

- 2.1 The LEP Board are asked:
- 2.2 To **note** a proposal by the Department of Business Energy and Industrial Strategy (BEIS) to fully fund the creation of a North West Local Energy Hub for a two-year period beginning in the financial year from March 2018.
- 2.3 To **note** the outline scope of activity and budget for the NW Local Energy Hub that has been agreed between NW LEPs.
- 2.4 To **approve** that the LEP Chair works with other LEPs in the North West of England to create a suitable governance structure for the NW Local Energy Hub and delegates authority to LEP staff to attend regular meeting to steer the outputs of the Hub once operational.
- 2.5 To **endorse** that the LEP works with the LCR Combined Authority on an operational structure for the NW Local Energy Hub which may have implications for the deployment of current LEP staff, with the potential for the recruitment of further staff.
- 2.6 To **note** that further details on the implications for the role of LEP staff will be brought back to the LEP Board at the appropriate time.

3. BACKGROUND

- 3.1 The Department for Business, Energy and Industrial Strategy Homes and Local Energy Team have recognised that a lack of capacity is preventing sub-regional bodies in England from bringing forward investable energy projects, both those led by the public sector and those seeking to attract investment from the private sector.
- 3.2 Ministers have approved £4.7m total funding for Local Energy Capacity Support, to be provided to the regions of England before the close of the 2017/2018 financial year under Section 31. These budgets are to be used to fund regional capacity, managed by a single authority but acting across the whole of each region (North West, North East, South East, South West, Midlands).
- 3.3 This budget proposal follows an initial budget provided to every English LEP in 2017/2018 to produce an Energy Strategy, with the intention that these strategies identify local priorities. A new energy strategy for Liverpool City Region is in development.
- 3.4 Department for Business, Energy and Industrial Strategy are proposing to fully fund a Local Energy Hub, covering the 5 LEP areas in the North West. They have asked North West LEPs to nominate a Lead LEP and accountable body which can accept Section 31 funds so that they can enter a discussion about the operation of the Hub.
- 3.5 The North West LEPs have been engaged via nominated representatives since November 2017 in a discussion about the scope of the NW Local Energy Hub. The NW LEPs agreed on the 8th January 2018 that Liverpool City Region is the preferred host location.

4. PROJECT SCOPE

- 4.1 It has been proposed through an initial process of collaboration between the 5 LEPs that the budget would be used to recruit 3-4 persons with backgrounds in energy project development and public-sector project management. A proportion of the budget would be reserved for project development reliant on the procurement of expert advice (call off fund).
- 4.2 The North West Local Energy Hub would be funded from April 2018, recruit staff by August 2018 operate for two years and complete in August 2020.
- 4.3 Department for Business, Energy and Industrial Strategy propose that the Local Energy Hub would by the end of project have developed an operational model under which the hub could become self-sustaining. A decision on whether to continue funding from central resources would be taken at that time if further time is required to implement this model.
- 4.5 The North West Local Energy will be governed by a board formed of LEP Chairs, delegating everyday operational responsibility to a sub-board of LEP staff and local authority officers from across the North West who are knowledgeable about the agenda. The Combined Authority can take a role on the governing board to ensure its interests are managed. Department for Business, Energy and Industrial Strategy may take a role on the governing board and would have a concern with delivery of project outputs profiled over the project lifetime.

5. STRATEGIC OPPORTUNITY

- 5.1 A North West Local Energy Hub will seek to interact with local authorities across the region by helping shape a selected number of generalised business cases that can be adapted and applied in more than one location. A framework or programme would be formed where the benefits of scaled investment were shown to outweighed the complexity of aggregating the projects of multiple parties.
- 5.2 Circa 1/5 of the budget would directly support local project formation. This addresses a current gap in project formation and could serve to identify projects suitable for Low Carbon Investment aligned with city region strategic ambitions.
- 5.3 The remainder of the budget would support projects elsewhere in the North West. The indirect benefit of the location of the hub in the City Region is that it would interact with existing project development capacity in the LEP and within Local Authorities. The team could work with the newly appointed Combined Authority Investment Director to inform project evaluation criteria when there are energy related outputs. It would build energy capacity in parallel with any that are put in place to develop the Tidal Energy proposal subject to this being approved.
- 5.4 The Lead Project Co-ordinator appointed by the Hub would have a role speaking back to other regions of England and to Department for Business, Energy and Industrial Strategy on energy projects and barriers to project delivery, placing the Liverpool City Region in a position to have a wider conversation about energy policy.

6. RESOURCE IMPLICATIONS

- 6.1 Financial
A North West Local Energy Hub would have an annual budget of £322,500 for two years. Salary and on-costs would represent 66% of the budget, a call off fund 27% and 6% of ITC and travel expenses.
- 6.2 Human Resources
This programme will require new resource to recruited with appropriate skills to lead and manage the project. Recruitment is subject to decisions still to be taken with partners about

the detailed scope of activity. Recruitment will be in keeping with the policies of the financial body and the managing organisation.

7. RISKS AND MITIGATION

- 7.1 The project is proposed to be fully funded by Department for Business, Energy and Industrial Strategy. Financial risk for the City Region is therefore in any contractual management and legal relationships that are entered into that are mismanaged.
- 7.2 There is a risk that outputs contracted with Department for Business, Energy and Industrial Strategy are not delivered. The Department for Business, Energy and Industrial Strategy will clarify outputs during a more detailed negotiation on scope. The North West can accept outputs that are reasonable to deliver and where there is scope to re-profile.

8. NEXT STEPS

- 8.1 Subject to LEP Board and Combined Authority approval (being formally considered at 19 January CA Board) the LEP executive will work with the Combined Authority executive and Low Carbon portfolio leads on an operational structure for the NW Local Energy Hub; and the LEP Chair and executive will work on the appropriate governance structure for the Hub with other NW LEPs and report back on implications for the LEP and Combined Authority and progress at future meetings.



Local Growth Fund Q2 Data return

LEP Board Meeting 18 January 2018

Author:
Seiju Desai
LCR CA

Presented by:
Frank Rogers
LCR CA

1. Purpose of report

In the autumn of 2017 the Cities and Local Growth Unit (CLoG) introduced a new reporting tool for Local Growth Deals. The aim of the reporting tool is to enable the presentation of the progress of the overall Liverpool City Region Growth Deal to date, providing a quarterly snapshot of delivery performance which is measured against forecasts.

Before submitting to the Cities and Local Growth Unit, there is a requirement that the return must have appropriate sign off from the LEP Board (or Chief Executive if this is not possible in a particular quarter) and a Section 151 Officer.

Therefore, the purpose of this report is to request that the LEP Board review the progress report and sign off the Liverpool City Region Growth Deal Reporting and Data Submission for Quarter Two.

2 Recommendations

- 2.1 To note the content of the revised reporting system which is based on self-assessment of delivery performance using a RAG rating system, as defined by Cities and Local Growth Unit (CLG).
- 2.2 Consider and note the progress of the overall Liverpool City Region Growth Deal (Rounds 1, 2 & 3) at Quarter Two (17/18) and sign off the associated progress report for submission
- 2.3 Note that in future LGF projects should only be included within the report once the project has been approved by the CA and the LEP and associated CA support teams have documented that realistic output forecasts have been agreed with the delivery partner, and a Grant Funding Agreement is signed and in place. For this reason, in the short term the Littlewoods Project has been removed from the monitoring report.
- 2.4 Note the revised monitoring requirements for reporting other outputs in addition to GVA and jobs

3 Background

The Local Growth Fund is the Government's funding pot of at least £2bn a year from 2015/16 to 2020/21. Most of the funding is allocated through a competitive process. To date the Liverpool City Region has secured £332.6m of Growth Deal funding from Government. The first Growth Deal with Government was announced on 7 July 2014 and was signed in Liverpool on 5th November 2014. Government announced a further round of Growth Deals at the Budget in March 2016 and a third Growth Deal was announced on 23 January 2017. Funding is confirmed and made available on an annual basis and is subject to having appropriate assurance in place and acceptable delivery performance which is reviewed at the Annual Conversation.

For the last two years project performance data for Growth Deals has been reported through an online portal called LOGASnet. This allowed for a number of colleagues from LEP and Merseytravel departments to input a range of data and financial information pertaining to all projects receiving LGF funding.

In the autumn of 2017, the Cities and Local Growth Unit introduced a new reporting tool for Growth Deals and confirmed that the LOGASnet system would be retired. The new reporting tool for Growth Deals must be submitted on a quarterly basis and requires the input of a variety of project data including but not limited to; Project start/end dates, Contractual Commitments (Forecast and actual), Total LGF spend and contribution of non LGF funds (including public sector, private, third sector and leveraged funds) to named projects.

On a quarterly basis the return also requires us to report on a number of key outputs. Different projects within the LGF portfolio will contribute towards the different outputs listed.

The outputs are summarised in table 1 below:

Employment Outputs	Number of jobs created
	Number of apprenticeships
Housing Outputs	Housing Units Completed
	Number of new homes with new or improved fibre optic provision
Transport Outputs	Length of Road Resurfaced
	Length of Newly Built Road this period
	Length New Cycle Ways This Period
Skills Outputs	Area of new or improved learning/training floorspace (m2)
	Prior Estate Grade
	Post Completion Estate Grade
	Floorspace rationalisation (m2)
	Number of New Learners Assisted (in courses leading to a full qualification)
Commercial Outputs	Specialist equipment
	Commercial floorspace created
	Commercial floorspace refurbished
	Commercial floorspace occupied
Flood Risk Prevention	Commercial Broadband Access
	Area of Land with reduced likelihood of flooding as a result of the project (m2)
	Reduced Flood Risk Homes
Business and Enterprise	Reduced Flood Risk Commercial
	Number of enterprises receiving grant support
	Number of enterprises receiving financial support other than grants
Other Outputs	Number of enterprises receiving non-financial support
	As defined locally

Table 1: Outputs to be measures as defined by CLoG

A key point to note is that the outputs on which CLoG have requested reports are actually much broader than the traditional output measures relating to GVA and Jobs. This will be important to the LCR as a number of the projects currently within the LGF project portfolio are transport related enabling projects, which alone have limited ability to directly create jobs and growth. Work is underway to understand how each of the LGF projects will contribute to overall LCR outputs, and to determine how existing monitoring arrangements can be improved. As this is a new requirement the majority of projects in delivery do not have all of these output measures built into their individual monitoring and evaluation plans and therefore additional requirements will need to be communicated to project sponsors Furthermore, in light of these new requirements new projects funded from LGF will now incorporate these metrics in the funding agreements. It is important to demonstrate the practical outcomes from our investments and these metrics also enable the LCR to learn from experience and where appropriate inform future policies and investment decisions.

Unlike the previous reporting system (LOGASnet) in which data was reported cumulatively, the new reporting tool now asks for data to be reported specifically for a particular quarter. This means that while we can view previous cumulative data, by reporting data quarterly it will become clearer/easier to see what project delivery that has occurred in a specific period. The

Programme Management Office (PMO) already undertakes regular project monitoring and will be working with all project sponsors to ensure that there are accurate records of project outputs.

A new RAG rating system has also been included in the reporting system which is designed to measure progress made towards delivery of each project, and to track the risks associated with delivery. The RAG rating introduced in the guidance takes into account three risk factors (delivery, risk and reputation). These are used to assess what impact that the challenges faced by the project will have on its overall deliverability. The score for each section contributes to determining the overall RAG rating for the project.

Furthermore, while a RAG colour for each project is provided, the tool will also show an average rating for the whole LCR LGF portfolio on the dashboard. The overall RAG score is directly influenced by the performance of the constituent projects.

It is worth noting that the RAG ratings are based on a self-assessment, with evaluations of performance which are required to be made in comparison to previous periods. When compared to previous periods, it can demonstrate progress made as well as challenges which may have been addressed quarter by quarter. Changes have been made to the PMO templates to allow collection of this data from project managers.

4 Progress to date

The following table demonstrates the value of the LGF allocations awarded against each round and the amounts which had been committed as of Q2 in 17/18.

Round	Allocation (£m)	Completed (£m)	Committed (£m)	Awaiting CA commitment (£m)
Total LGF 1	176.01	30.43	135.57	10.01
Total LGF 2	31.60	0	17.64	13.96
Total LGF 3	71.95	0	0.75	71.20
Grand Total	279.56	30.43	153.96	95.17

The Q2 return (which has been made available for inspection) demonstrates the Local Growth Funded (LGF) projects which are currently included in the LCR portfolio monitoring, and while there continues to be good progress in the delivery of the approved LGF projects (as shown by our overall green rating), some projects have encountered delivery challenges which vary from unforeseen ground conditions, technical difficulties and planning related issues. Project teams are now working hard to address these challenges.

The dashboard indicates that at Q2 of 2017/18, £14.2m had been spent in year on delivery, which is 25% of our original 17/18 allocation. The forecasts received from delivery partners (as part of the claims processes) do indicate that Q3 and Q4 spend are anticipated to be on or near forecast but this situation will be reviewed in Q3 to assess how likely it will be that the annual forecast for spend overall can be met. Also indicated within the dashboard is that non LGF/Local Contribution spent is behind forecast at only around 16% of the anticipated spend and this situation will be carefully monitored by the financial team.

Q2 Delivery Highlights

The following Q2 delivery highlight have been included within this report as supporting information and is based on the information supplied by scheme project managers into the Programme Management Office (PMO), and the information available to us from financial claims.

The Centre for Infectious Disease project is now practically complete on site. Funded from an LGF 2 Business Capital grant the project includes the fit-out costs involved in creating new laboratories and collaboration space. The project will enable the Liverpool School of Tropical Medicine (LSTM) to form additional collaborations with industry partners researching and finding treatments for infectious diseases. This project is expected to create 131 new jobs (indirect) over the next six years, with an additional 473sqm of category 3 lab space which addresses a shortage of such facilities in the LCR and wider UK. We anticipate the monitoring and evaluation phase to commence from Q3. We still await full claim from the applicant.

The Alstom Transport Technology Centre is now open for business with an anticipated 600 highly skilled jobs to be created by 2022. A new cohort of learners have commenced training. With over 13,000sqm space, the site in Widnes is thought to be the largest rolling stock modernisation facility in the UK. Alstom have currently recruited 29 apprentices, with the number engaged this year to date currently at around half of the LCR annual target.

The third of three LGF1 funded rail improvement schemes, the **Maghull North Rail project**, commenced on site in this period and is currently on schedule. The new station, which will be operated by Merseyrail, is expected to be open to the public in the summer of 2018. The station is a key piece of infrastructure in the Sefton Local Plan, supporting demand from an adjacent new housing development which will include 370 homes, with more homes planned for the area in the near future. It will also offer relief for the existing station in the town and will help to relieve congestion on local roads. In addition to LGF, the £13m scheme is being funded through the Government's Local Growth Fund (LGF), Merseytravel and the Homes and Communities Association, which previously owned the land on which the station will be built. It will form part of the wider £340m investment by Network Rail and the Liverpool City Region in rail improvements over the next three years. We have raised with CLoG the absence of any metrics associated with rail projects.

Positively, the **Halton Curve Rail Scheme** which seeks to unlock business, learning and leisure opportunities between the Liverpool City Region, its airport, Cheshire and North Wales by bringing back into full use the section of the line that links the Chester/Warrington line and the Liverpool/Crewe line at Frodsham Junction also remains on track to deliver. Full outcomes associated with this project are dependent upon improved services for passengers to be delivered by the Wales and Border Franchise (led by Welsh Government and DfT).

Q2 Delivery Challenges

The **Newton Le Willows rail interchange scheme** which includes a number of improvements for passengers such as a new ticket office, step free access to and between the platforms via a new subway and lifts a new bus interchange and improved passenger waiting facilities has encountered challenges. Technical issues with the augerboring process, which is required to create the new subway facilities, have resulted in programme delay. It is anticipated that the project will require an element of timeline re-profiling into 2018/19 financial year, but once completed will provide a modern railway facility that can accommodate an anticipated increase in passenger demand given that it is a key location for interchange to Manchester, Liverpool and services through to Wales

The majority of schemes in Years 1&2 of the **Sustainable Transport Enhancement Programme**, which includes a series of cycle, walking and sustainable transport improvements targeted geographically in areas identified by the Growth Plan as Growth Zones are now complete after some schemes encountered delivery difficulties. Interdependencies

between other committed highways works have largely impacted on the delivery of three of the schemes, and consequently these three schemes may now require re-profiling. Progress against schemes in year 3 of the programme is promising.

North Liverpool Key Corridors (A565) aims to make improvements to key city centre arterial link to reduce congestion, and improve journey time reliability on the network. The scheme has encountered delivery challenges with the CPO public inquiry process taking longer than anticipated, as well as the project encountering some difficult ground conditions.

Q2 Investment decisions

The LCR CA continues to take forward its schedule of investment decisions in accordance with the SIF assurance Framework

In the last quarter the LCR CA made investment decisions in relation to 8 new skills capital projects. Grant Funding Agreements are now being developed for these schemes which include a number of projects seeking to improve learning facilities across the city region. Once contractual commitments have been made, these 8 further projects will be added to the LGF1 portfolio for monitoring and evaluation purposes.

Q3 & Q4 Forecast

A call for LGF3 to support Key Route Network is expected to open in late 2017.

Myerscough College is expected to complete in Q4 as is year two of the Silver Jubilee Bridge maintenance scheme. A number of STEP year 3 schemes are also due to complete by the end of March.

The LCR CA is expected to take investment decisions on the remaining 4 skills capital projects and assuming that these are approved to move to the next stage, this will enable the LCR CA to make commitments against the remaining LGF1 Skills capital funding.

The LCR CA is also expected to take investment decisions on a range of other projects which contribute to growth and job creation. Their outputs will be confirmed as part of the business case appraisal process.

5 Conclusion

There continues to be good progress in the delivery of the approved LGF projects (as shown by our overall green rating), but the overall portfolio is not without delivery challenges. This is not an unexpected situation for example, given that large volume of improvements to a live transport network, where there is a requirement to synchronise project activity with other works.

Work is underway to ensure the mechanisms for capturing revised output requirements for each project are in place in advance of Q3 returns. The Programme Management Office will work closely with scheme sponsors to ensure we collect the data required to submit future returns and that ultimately the LGF investment is delivering the anticipated economic growth and creating (protecting) jobs.



The Liverpool Brand – Taking the Next Steps

LEP Board Meeting 18 January 2018

1. Background

During the course of 2017 a small team formed and progressed a project to promote discussion amongst key organisations and the private sector in the City Region about the important but elusive concept of the Liverpool brand. The team comprised Professor Michael Parkinson, of the University of Liverpool, Dr Jon Hague, of Unilever, Colin Sinclair, CEO of the Liverpool Knowledge Quarter, Chris Brown from Liverpool Vision and Ian Pollitt and Julia Bradley from Peel Holdings. The project drew on previous work from the Heseltine Institute, notably the State of the Liverpool City Region Report and consulted widely with stakeholders in the City Region regarding the coherency of the Liverpool brand, and the strategies in place to exploit it. The team commissioned a report from the Heseltine Institute “The Liverpool Brand and Why Does it Matter So Much Now” which was published in Q3 2017.

2. Key Findings

There is good news about the scope and scale of Liverpool’s economic assets. It was agreed that its assets are formidable and will make a big future contribution to the northern and national economy.

There is an enormous amount of change and growth taking place within the different sectors of the LCR economy - whether logistics, digital and creative, health, knowledge and innovation - that even organisations involved did not fully appreciate.

The perceptions of this contribution nationally - although not so much internationally - lagged. In this sense Liverpool’s assets are actually better than its current brand. This provides real scope to improve its brand significantly.

This scale of development underlines the need for better intelligence about what is happening in detail in the economy so that it can be incorporated more clearly into the brand narrative. It is also clear the City Region needs to be sharper and more vocal about its sectors, processes and firms which are genuinely world class and feature them more in the branding process.

There is no single compelling shared narrative about the long term economic future of the City or the City Region which the LCR systematically presents to the different audiences it deals with nationally and globally. There are competing messages which, although not necessarily contradictory, are not well aligned.

Many private sector organisations believe that they will benefit directly in future from having a coherent powerful story about the place. There is genuine and direct economic logic in the private sector promoting Liverpool in addition to their own products. It is a win-win investment

City Region leaders, in both the public and private sectors, need a single hymn sheet and a more assertive strategy for cultivating the interest and support of the potential investor class from outside the City Region

3. Crafting the Brand Narrative

In response to the findings above, the team also took the first steps in defining a compelling brand position and ensuing narrative for the City, recognising that the City itself is the single most important place – based brand asset in the LCR. The approach initially focussed on developing a “brand key” for Liverpool, crafted following a process that Unilever employs. The brand key becomes the foundation, the brand DNA, capturing the essence or make up of the Liverpool brand, and upon which all of the ensuing communication and campaign

guidance is built. This work was conducted via two workshops with a wide range of public and private sector stakeholders, and whilst not perfect, is proving both to resonate with stakeholders and be robust.

4. What is Required from the LEP Board?

The team believes it has taken the work as far as it can via the *pro-bono* contributions of the members, and without formal ownership and governance, and needs now to engage the City Region on the following matters.

a) Professionalization of the Liverpool “Brand Book”.

Starting from the Brand Key, we need now to develop a “Brand Book” which sets out the clear, compelling narrative, the imagery, tone of voice, visual guidelines and communication guidelines that translate the essence captured in the brand key into consistent useable materials across a range of appropriate media. Our estimate is that this will require a budget of £100-£120k. The team propose to raise £50-60K from private sector sources, many of whom will find high utility in such quality of developed materials to promote place as part of their own investment pitch. It is hoped that the public sector would match this, at a ratio of 50:50. Given funding, is available, a full suite of materials will be ready by end Q2 2018 for use by all of the City Region.

The request to the LEP Board is to support the ask that the private sector funding is matched by public sector partners at a ratio of 50:50

b) Governance

All great brands have strong brand management. Changes to the key elements of a brand should be controlled by a brand steering group, which has the delegated authority to manage the brand on the owner’s behalf. It seems appropriate that the brand should be owned by the LEP, representing the views of brand stakeholders in private sector and the LCR CA (the Liverpool Brand is everyone’s brand to benefit from, not just Liverpool’s), but managed by a group which has the expertise to both direct development and have a stake in its use. The existing group proposes that it acts as the Brand Steering Team, with Julia Bradley from Peel Holdings as its chair. The Brand Steering Group should be held accountable by the LEP Board (on behalf of the CA) for maintaining the Liverpool Brand, and its Brand Book, to maintain the consistency of messaging and communication that the LCR needs. Membership may be expanded as needed by 2-3 people to ensure that sufficient and appropriate private sector expertise is available.

The request to the LEP Board is agreement to the proposal on creation of a Liverpool Brand Steering Team, accountable to the LEP Board.

c) Commitment to use

The members of the LEP board must also find the materials compelling and useful for all aspects of communication, whether it be attracting students or future employees, driving partnerships, attracting visitors and trading partners, driving Foreign Direct Investment, building academic collaborations, or just reinforcing the City region as a great place to live and work. The first opportunity is to align with the Internationalization Strategy work commissioned recently by the LEP Board.

The Request to the LEP Board is commitment from members to use the Liverpool Brand Book in all communications that promote the City as part of place marketing.

The first instance should be in the Internationalization Strategy which is scheduled to complete in a similar timeframe.

Julia Bradley, Dr Jon Hague, Prof Michael Parkinson, Chris Brown, Colin Sinclair