

LIVERPOOL CITY REGION LOCAL ENTERPRISE PARTNERSHIP

At a meeting of the Liverpool City Region Local Enterprise Partnership held in the Room G40, Ground Floor - No.1 Mann Island, Liverpool, L3 1BP on Thursday, 21st March, 2019 the following Members were

PRESENT:

Mr A Hamid MBE, Chairperson of the Board
Elaine Bowker
Dr Jonathan Hague
Amanda Lyne
Mayor J Anderson OBE
Councillor P Davies
Councillor R Polhill
Metro Mayor S Rotheram
Professor Dame J Beer
Paul Corcoran
Councillor D Long
Councillor G Morgan
Mike Houghton

OFFICERS PRESENT:

Mark Basnett, Managing Director, LCR LEP
Frank Rogers, Chief Executive, LCR Combined Authority
Tony Reeve, Chief Executive, Liverpool City Council
Tony Wade, Finance Director, LCR LEP
Mark Bousfield, Director of Commercial Development and Investment, LCR Combined Authority
Aileen Jones, Head of Research and Intelligence, LCR Combined Authority
Trudy Bedford, LCR Combined Authority

APOLOGIES

Chris Fry
Angela White OBE
Mark Whitworth
John Syvret CBE
Councillor I Maher

356. DECLARATIONS OF INTEREST

No declarations of interest were declared by Board Members.

357. MINUTES OF THE PREVIOUS MEETING

The Board considered the minutes of the meeting held on 24 January 2019 and were received as a correct record and signed by the Chair.

In relation to Minute 343 – Skills Update, Metro Mayor S Rotheram informed the Board that he had recently attended a meeting with Damian Hinds MP, the Secretary of State for Education. The meeting had also been attended by the Metro Mayors from the 7 Combined Authorities and the Mayors from the Core Cities Group. During the course of the meeting it was recognised that post-Brexit the UK economy would

require a fiscal stimulus and this would require the appropriate skilled workers. To support this fiscal stimulus each area had agreed to identify the priority shortages in their area as well as reviewing the skills shortage across the country. The City Region had already commenced this work as part of the Skills for Growth agenda so where in a strong position to identify the skills shortages and be in a position to inform Government of this.

The Chair, Mr A Hamid MBE, drew Board Members attention to the letter he had sent to Damian Hinds MP which expressed concerns regarding the skills shortage in the City Region and the response received from the Rt Hon Anne Milton MP, Minister of State for Apprenticeships and Skills in response to this letter. The Chair sought the Board's approval for a letter to be sent to Damian Hinds MP, in response to the letter received from the Rt Hon Anne Milton MP.

Board Members were in agreement that a response be sent to Damian Hinds MP and a copy of this letter also sent to the Rt Hon Anne Milton MP. They emphasised that the letter should contain evidence regarding the skills gap in the City Region and how this was stifling economic growth. Whilst emphasising that the Combined Authority, the private sector and further education establishments had a strong understanding of how this could be addressed if Central Government were willing to devolve further power to the Combined Authority in relation to apprenticeships and skills.

Board Members also suggested that the letter be circulated to other Government ministers such as Gregg Clarke MP, Secretary of State for Business, Energy and Industrial Strategy and Richard Harrington MP.

It was AGREED that a letter be drafted in response to the reply received from the Rt Hon Anne Milton MP which reflects the discussion by the Board.

358. LEP REVIEW - PROPOSAL FOR LEP RESTRUCTURE (P & PR)

Mark Basnett, Managing Director, LCR Local Enterprise Partnership, presented to the Board a report which set out the proposals to restructure the Local Enterprise Partnership.

The Board considered the proposed structure for the LEP Board and the LEP Company and were informed that following the Board's consideration of the proposals the LCR Combined Authority would then consider the proposals at their next meeting.

It was AGREED that:-

- (i) The proposal set out in the paper to restructure the LEP subject to agreement of the Combined Authority and current LEP Company "Members" be approved;
- (ii) The LEP Chair and Executive be authorised to progress this implementation; and
- (iii) Authority be delegated to the LEP Chair to sign off the revised Constitution and Assurance Framework on behalf of the LEP Board.

359. LOCAL GROWTH FUND PERFORMANCE (V)

Frank Rogers, Chief Executive, LCR Combined Authority provided the Board with an update on the Local Growth Fund (LGF) Performance.

Asif Hamid MBE, Chair of the Board, advised Members that that the LGF data return had been distributed to Board Members on 18 February 2019. Following the Annual Performance Review, the LEP had been ranked as “good” in each of the three categories of Strategy, Governance and Delivery. However, he stressed that the LEP was striving for an Excellent rating and to do this in Delivery it was imperative that LGF funding was allocated, distributed and spent as expediently as possible.

Frank Rogers drew Board Members attention to the Growth Deal Dashboard and informed Members that if some performance indicators were not addressed then there would be a risk of an under spend being carried forward. The overall performance of the Fund was green but there were some significant risks associated with the Fund. It was further reported that the LGF funding allocation had increased significantly from initially expecting £24 million to receiving £180 million. The Board was advised that whilst this funding was extremely welcome it had presented challenges from the outset as the appropriate projects were not available for the Fund to be allocated to. However, the City Region had responded positively to the challenge and assurances had been provided to the Department for Transport and the Communities and Local Government Unit that the funds would be allocated within the required timeframe.

The Board was provided with an update on a number of projects, which included the Newton-le-Willows interchange, A565 North Liverpool Key Corridors, M58 Junction improvements, City Centre Connectivity and A57 Connectivity. These projects had a red RAG rating, however, the Newton-le-Willows interchange had recently completed its building works and was now open. With regards to the other projects, these were all undertaking significant transport infrastructure changes across the City Centre which had impacted upon the commencement of the works. However, work was now underway on site for each of the schemes and they would deliver to their spend profile.

Tony Reeve, Chief Executive, Liverpool City Council, informed Board Members that it had been necessary to adjust the timescales for the schemes, in particular the City Centre Connectivity scheme to avoid causing significant traffic congestion in the City Centre.

Mayor J Anderson OBE, advised how the City Centre Connectivity scheme would ensure that people were able to move within the city centre more freely by reducing congestion. Furthermore, the funding to support the scheme had been committed.

Metro Mayor S Rotheram supported the approaches adopted in respect of the key transport schemes which had experienced some delay. He emphasised the importance of communicating to the public that no LGF funds had been returned to the Government and once completed, the schemes would deliver improved benefits to the city region.

Mike Houghton, sought clarity on the risks of not spending the LGF funding allocation.

Frank Rogers, advised the Board that there would be a reputational risk to the LCR Combined Authority if the funds were not spent within the agreed timeframe.

However, it was considered unlikely that any of the money would be clawed back. Furthermore, he reported that the submission from Government had identified the LGF performance as good and the LCR Combined Authority, the LEP and constituent Local Authorities should be congratulated on the way it was approaching delivery. He concluded by reporting that many lessons had been learnt from when the LGF was received in 2013 and it was recognised that to ensure the Fund did deliver it's spend then an over programming approach was required for future delivery.

Elaine Bowker emphasised the importance of sharing the reasons as to why projects where delayed across the City Region and reassuring residents that the funds received from Government would be spent.

Metro Mayor S Rotheram advised the Board that significant lessons had been learnt and as such further capacity would be sought to develop projects and have them ready for funding. He also advised that it was important to explain that the funds could only be allocated to specific areas and as such many suggestions received did not match the criteria of the fund. Overall, the City Region's performance was highly regarded by Government and it was important to note that some of the projects were complex.

Amanda Lyne reflected upon the projects contained in the LGF and questioned whether these projects were appropriate for creating economic growth and job opportunities in the City Region. Furthermore, when more schemes were available for funding she sought clarity on how the Board would be re-assured that they would support the priorities of job and growth creation.

The Board was informed that all proposals were assessed and as part of this assessment they had to include a business cost ratio, along with providing a business case which was considered by an independent Panel.

Tony Reeve advised the Board that there was recognition amongst all those involved with the LCR Combined Authority that significant lessons had been learnt. One of which was the ability to plan and commission against a strong evidence base and to execute effectively to deliver jobs and economic growth across the City Region.

Paul Corcoran reflected on the positive success which had been achieved at MIPIM recently. This demonstrated that businesses wanted to invest in the City Region and were attracted by the opportunities, talent and brand available to them. He emphasised that this was the positive communications message which should be shared across the City Region by utilising social media platforms and not relying upon the printed press to report on the story.

Professor Dame Janet Beer suggested that a collective communications message should be developed and shared with all the membership of the LEP Board. This would also demonstrate that all parties were working together to address the key challenges facing the City Region and generate a positive atmosphere particularly through the sharing of success stories too.

Councillor P Davies reflected upon the challenges faced by the LCR Combined Authority when Government announced the allocation of funds with limited notice and required them to be allocated within a short time frame. He also emphasised the importance of the LCR Combined Authority clearly articulating what was being achieved with the funds received from Central Government.

Mark Bousfield, Director of Commercial Development and Investment, LCR Combined Authority, reported that following the recent announcement of the opening of the Strategic Investment Fund which had funds available of £118million. Since the launch, 102 conversations had been held with interested bidders which had resulted in just 16 submissions into this fund. Whilst it was acknowledged that further capacity was required to support the development of pipeline schemes, it was also important that the communications surrounding SIF were targeted to the most appropriate audience to gain interest and for this to translate into successful applications.

The Chair, Mr A Hamid MBE, reflected upon the discussions generated by this item and proposed that representatives from each of the Communications teams from the LCR Combined Authority, constituent Local Authorities and those of the Board Members be brought together, to expand on the issues outlined during this discussion with a view to creating a unified communications message which could be used across the City Region.

Tony Reeve reported on some of the changes which the communications team at Liverpool City Council had introduced. This included transforming the media release so that it was user friendly for journalists as well as increasing the City Council's profile on social media.

Expanding on the matters discussed by the Board, Paul Corcoran suggested that a City Region Communications Strategy should be considered by bringing together the key communications representatives. This co-ordinated approach would also provide a forum in which marketing and communications content could be shared in a supportive and collaborative environment.

It was AGREED that:-

- (i) The LGF performance be noted;
- (ii) A City Region Communications Task Group be established comprising of appropriate communications and marketing staff from the membership of the LEP Board and supported by Paul Corcoran to address the issues raised during this discussion; and
- (iii) A Combined Authority newsletter be developed in conjunction with the LEP.

360. LOCAL INDUSTRIAL STRATEGY - RESEARCH FINDINGS (PR)

Aileen Jones, Head of Research and Intelligence, LCR Combined Authority, provided Board Members with a presentation which set out the progress to date in developing the City Region's Industrial Strategy and highlighted the following issues:-

- Explained the purpose of the Local Industrial Strategy, which arose following the launch of the Industrial Strategy Policy Prospectus from Central Government.
- Summarised what the Liverpool City Region Industrial Strategy would achieve, which included clearly defined priorities to generate economic growth as well as environmental sustainability and community wellbeing to the City Region;
- Set out the current position of the City Region which identified that the economy was growing but productivity was behind, there was a strong Small and Medium sized enterprise base and a few large companies had their headquarters based

- in the City Region. The City Region had a well-known brand, which built a strong visitor economy offer which encouraged investment;
- Highlighted the core economic strengths of the City Region which were particularly focused on the advanced manufacturing sector of chemicals, pharmaceutical products and automotive;
 - Identified areas of world-class excellence which included Advanced Computing at STFC and Hartree, Infectious Disease at The University of Liverpool School of Tropical Medicine and Innovation in advanced manufacturing, particular in glass manufacturing;
 - Summarised the emerging strengths of the City Region in connection with its nearest neighbours;
 - Explained the untapped assets of the City Region which included the opportunity to capitalise on research strengths, a western facing port, tidal power of the river Mersey, digital through the supercomputer at Daresbury and the under-used potential of the people of the City Region;
 - Set out the challenges faced in the City Region with regards to developing the untapped assets and the actions needed to address this to maximise the City Region's inclusive growth; and
 - Summarised the next steps of the development of the Strategy, which included testing the data with key stakeholders, establishing an external panel to provide challenge to the evidence base, undertake consultative forums across the City Region to shape the Strategy with a final submission ready by 2020.

Mayor J Anderson OBE highlighted the potential impact to the automotive industry and the Ports post-Brexit and sought clarity on what support would be available to support growth within these industries. He emphasised the importance of encouraging a visionary approach, for example the creation of the City Council's Liverpool Leccy company which created its own energy.

Dr Jonathan Hague suggested that the Strategy should identify the industries of the future, particularly those of low carbon and digital and also consider how manufacturing could be disrupted by the growth of the digital sector.

Tony Reeve, Chief Executive of Liverpool City Council, supported an integrated approach to health care to address the health needs of the City Region. He also identified that the growth environment had to be right in the City Centre to stimulate economic growth across the City Region.

Metro Mayor S Rotheram emphasised how the Strategy would be informed by evidence and it would also be pertinent to the City Region.

Councillor P Davies suggested that five or six key interventions should be identified which would bring about significant economic growth for the City Region.

Paul Corcoran reflected upon the success of the Knowledge Quarter and what had been the determining factors in its success, which were to provide opportunities for different ways of working and creating a clear vision. He suggested that successful examples such as the Knowledge Quarter should be reflected within the Industrial Strategy.

Amanda Lyne emphasised the importance of creating a climate in which double digit growth could be achieved which would require identifying and targeting the sectors which could achieve this.

Frank Rogers, Chief Executive LCR Combined Authority, informed the Board that the discussions in relation to the Strategy emphasised the critical importance of it and the development of the Strategy would be key over the coming 12 months. He advised that the Industrial Strategy would be the primary Strategy for the Combined Authority and would be aligned to other strategies relating to Skills, Housing, Transport, Energy and Digital. Furthermore, the Strategy would be underpinned by an evidence based approach.

Mayor J Anderson OBE, suggested that as part of the consultation process various sectors from across the City Region should be engaged in the development of the Strategy.

Aileen Jones advised the Board that SME's would be invited to be part of the consultation process for the development of the Strategy.

It was AGREED that:-

- (i) The presentation be noted; and
- (ii) Regular reports on the development of the Local Industrial Strategy be brought to the Board.

361. BREXIT - LCR RESPONSE (V)

Tony Reeve, Chief Executive, Liverpool City Council provided the Board with a verbal update on the range of measures which were being developed post-Brexit. He advised that a Local Resilience Forum had been established which comprised of representation from the emergency services and Local Authorities. The Group were addressing a number of key issues, one of which was the impact to the supply chain and in particular the 'Just in Time' processes. Furthermore, to support small businesses who may experience cash flow issues and to promote economic resilience a proposal for a liquidity fund for business was being developed by the Combined Authority through the Strategic Investment Fund.

The Board was further advised that the Government had recognised that accelerated growth would be required post-Brexit and had created a Prosperity Fund to support this.

The Board acknowledged the importance of sharing the messages with SMEs across the City Region, that support was available to them.

It was AGREED that the update be noted.

362. BOARD APPOINTMENTS

Before consideration of this item Paul Corcoran and Elaine Bowker left the room.

The Chair, Asif Hamid MBE, advised Board Members that nominations had been received for the vacant positions of Deputy-Chair and Diversity and Equality Champion. He reported that nominations had been received from Paul Corcoran for Deputy-Chair and Elaine Bowker for Equality and Diversity Champion and sought the Boards approval of these appointments.

The Chair also reported that the vacancies on the LEP Board had been advertised and promoted through social media and the Appointments Committee would meet in

early April to consider any nominations and make recommendations to the next LEP Board.

It was AGREED that:-

- (i) Paul Corcoran be appointed as Deputy-Chair of the LEP Board; and
- (ii) Elaine Bowker be appointed as the Equality and Diversity Champion for the LEP Board.

363. CHAIR'S UPDATE (V)

Mr A Hamid, provided Board Members with a verbal update and reported on a successful MIPIM exhibition, which had received excellent feedback and had been well attended.

He explained that recruitment to support the 'One Front Door' had been successful and the team were focusing on developing an action plan for implementation.

He reported that the next Northern Powerhouse Dinner would be hosted in the City Centre. The primary focus of the Dinner would be to concentrate discussions on digital structure and demonstrate to Ministers the significant work the City Region was undertaking.

In relation to International Women's Day, the Chair reported on the LEP's commitment to encourage more women onto the Board. Furthermore, three places had been secured for the LEP women's leaders' event on 6 June 2019 and if female Board Members wished to attend that they notify Mark Basnett.

The Board was advised that it was currently a guarantor for the Merseyside Investment Forum, however the Forum had undergone changes to its governance arrangements. Board Members were advised that when the changes to the governance arrangements were known they would be circulated to them in due course.

364. CHAIRMAN'S THANKS

The Chairman, Mr A Hamid MBE, advised the Board that this would be Councillor P Davies last meeting as he was retiring from office. He paid tribute to the work undertaken by Councillor Davies during his time as Chair of the Combined Authority and Leader of Wirral MBC, and on behalf of the Board thanked him for the dedication he had given to Wirral and the City Region.

Minutes 356 to 364 be received as a correct record on the 16th day of May 2019.

Chairperson of the Board

(The meeting closed at 11.04 am)