

LIVERPOOL CITY REGION LOCAL ENTERPRISE PARTNERSHIP

At a meeting of the Liverpool City Region Local Enterprise Partnership held via Telephone Conference on Thursday, 16th July 2020 the following Members were

PRESENT

Mr A Hamid MBE, Chairperson of the Board
Paul Corcoran
Professor Dame Janet Beer
Elaine Bowker
Chris Fry
Dr Jonathan Hague
Dr Liz Mear
Laura Pye
Metro Mayor S Rotheram
Angela White OBE
Mark Whitworth

ALSO IN ATTENDANCE

Mick Allen, BEIS
Mark Basnett, Managing Director, LCR LEP
Mark Bousfield, Director of Commercial Development and Investment, LCR Combined Authority
Dwayne Johnson, Chief Executive, Sefton Council
Jill Coule, Monitoring Officer, LCR Combined Authority
Alex Dawson, BEIS
Dr Aileen Jones, Assistant Director for Policy and Commissioning
Councillor Ian Maher, Sefton Council
Hannah Randles, Health and Life Sciences Champion, Growth Platform
Frank Rogers, Chief Executive, LCR Combined Authority
Stephen Speed, BEIS
Tony Wade, Finance Director, LCR LEP

APOLOGIES

Mayor J Anderson OBE
Councillor Pat Hackett
Tony Reeves, Chief Executive, Liverpool City Council

417. DECLARATIONS OF INTEREST

No Declarations of interest were submitted by Board Members.

418. MINUTES AND NOTES OF THE PREVIOUS MEETINGS

The minutes of the informal Board Meetings held on 21 May and 25 June 2020 were agreed.

The Chair, Asif Hamid MBE, asked if there were any matters arising.

Mark Basnett, Managing Director, Local Enterprise Partnership stated that there was only one action outstanding in relation to Minute 407 from the meeting held on 21 May 2020. He asked Dr Jon Hague to give an update.

407 – Research and Development Investment in the Liverpool City Region

Dr Jon Hague referred to 'Project Boom', a research and development strategy to promote investment in the City Region. He stated that they were looking for someone to lead the project in order to procure opportunities and asked Members of the Board if they were aware of a suitable available candidate for this role with expertise in infectious disease or artificial intelligence. He added that it would be a 'hands on' role for the Leader of the Team and there would be a number of sub-teams with expertise from various institutions. The project would be a 3 month fast paced endeavour and Dr Hague undertook to circulate the Team document to Board Members.

Mark Bousfield added that there was no time to hold a recruitment process and that there were a number of good names on the list already. The Innovation pipeline was being compiled in the next couple of months and Government were already asking for ideas.

Mark Basnett asked Board Members to contact himself or Dr Jon Hague with information about any suitable candidates.

419. ECONOMIC RECOVERY PLAN

The Chair, Asif Hamid MBE introduced the item and stated that Dwayne Johnson, Chief Executive of Sefton Council and the Leader, Councillor Ian Maher would provide the Board with an update on the economic impact in Sefton as a result of Covid-19 and relocation of large organisations away from Bootle.

Dwayne Johnson referred to the briefing note that had been circulated to Board Members and gave an overview of the main issues:-

- The major impact on jobs and business, particularly in Bootle;
- Bootle Town Centre footfall was down significantly due to most organisations like HSE and HMRC working from home;
- Relocation of Government Departments to Liverpool City Centre from Bootle and the resulting vacant office accommodation;
- The major impact on the hospitality and visitor economy sector in Southport;
- The impact on the care sector with a lot of care homes with high vacancy rates and the upcoming winter pressures making the situation worse;

Dwayne Johnson stated that in April 2020, the Council commissioned Mickledore to provide a Covid economic impact analysis and assist with a recovery strategy. A detailed action plan had been developed and was being discussed with elected members. An Inward investment Plan had defined a growth programme for investment focussed on Sefton's assets, with a range of projects that would deliver significant economic benefits and a broadening programme of engaged investment with the private sector.

Dwayne Johnson added that the growth programme alone could deliver investment of over £165m, supporting construction and permanent job creation as well as wider environmental, economic and social benefits through social value capture and community wealth benefits. Some of the opportunities being explored were:-

Electric vehicle network and solar energy;
Major investment in Southport to enhance the visitor economy;
Improvement of the canal way;
Investment in Crosby Town Centre; and
Nearly 3,000 new homes being built in the Crosby area.

Dwayne Johnson asked the Board for any advice or support that could be given to assist in addressing the economic impact in Sefton.

The Leader of Sefton Council, Councillor Ian Maher echoed Dwayne Johnson's comments. He stressed the significance of the impact on Bootle Town Centre as that area had a high concentration of large employers based there and the resulting impact on the shopping area.

Councillor Maher asked the Board for advice and support on a way forward. He added that the investment in Southport as a tourist destination, theatre and conference centre complex was critical. The Council were doing as much as possible to address the issues but funding was required from Government.

The Chair, Asif Hamid MBE stated that he was involved in discussions with the Crown on contracts for Brexit work so he declared an interest in that respect. He agreed to speak with Dwayne Johnson and Councillor Maher outside of the meeting. The Chair suggested that a working group could be formed to work with Sefton on ideas and suggestions. He stated that he would lead on this working group as inward planning was close to his heart.

Laura Pye referred to the Visitor Economy Board Meeting which Sefton were a part of. She also referred to the lack of information on when events and conferences could re-start which was a massive issue for the visitor economy. She added that Government needed to be pushed hard for answers as furlough was due to end in October 2020. There were clear road maps for other sectors and ACC Liverpool had written to the Treasury on the issue. Hotels were not able to re-open until they had business. Laura Pye asked the Metro Mayor, Steve Rotheram if there was anything he could do to assist.

The Chair, Asif Hamid MBE, stated that he was on a call with the Business Secretary at 2pm that day and he would raise in the issue to see where it is up to.

Mark Whitworth volunteered to be part of the working group to discuss Sefton as he felt that the Port should be part of the group to knit this together.

The Chair, Asif Hamid MBE agreed an action for Board Members to work with the Chief Executive and Leader of Sefton Council on a plan for Sefton. He added that he would be in contact in the next 24 hours.

Mark Basnett, Managing Director of the LCR LEP stated that he was meeting with Dr Aileen Jones to discuss issues and he would also get in touch shortly.

The Chair, Asif Hamid MBE asked Mark Basnett, Mark Bousfield and the Metro Mayor Steve Rotheram to present the LCR Economic Recovery Plan to Board Members.

Mark Basnett indicated that he did not plan to go through it in great detail as there had been discussion at previous meetings and also at the Economic Recovery Panel, so this was an update of the final version and process for the plan.

Dr Aileen Jones agreed that it was at the final stages and thanked the LCR Local Enterprise Partnership for their input which had been reflected in the current draft. The intention was to submit to Government by the end of the week but the plan was not the final version as it would also have to take into account the Government's national recovery framework and the comprehensive spending review information when that was known.

Mark Bousfield expressed his frustration at the current situation in relation to separate funding streams being made available across various Government Departments but the absence of an overarching strategy. He added that it also was frustrating for Board Members across the sectors.

Mark Bousfield stated that the Plan was the official line for the major partners in the Liverpool City Region to get the point across when engaging with Government Ministers. He stressed that the Combined Authority was best placed to know what was required for recovery and the point needed to continue to be made in a consistent way. Mark Bousfield recommended the plan on that basis.

The Metro Mayor, Steve Rotheram recognised the enormity in the task of developing the Plan and expressed his thanks to everyone involved, especially Officers who had been burning the midnight oil. He stressed the need to convince Government that they could trust US with OUR recovery. He added that the Combined Authority understood the needs of the City Region and had put it into a strategy so Government would be foolish not to take it on. The Metro Mayor thought that the LCR were the first to submit a regional plan and this plan was backed by evidence.

Board Members endorsed the plan and praised the work of Officers in its development.

Board Members were given the opportunity to comment. The following issues and comments were raised;

- The absence of adults and skills initiatives in the Chancellor's Summer Statement;
- The endorsement of using the same messages to communicate with Government and Politicians;
- There was so much being said about apprenticeships but City Region were powerless to help;
- The lack of funding for adult skills programmes in order to be able to respond to what was happening with the number of adults looking to re-train;
- A list of top 5 or 10 of key messages to say would be helpful;
- More funding was needed for Further Education;
- The reduction in the numbers of University students which could have an impact on Universities in the Region;
- The aim of having a higher level of education across the workforce;
- SME's would need assistance in applying for support grants;
- There were some great technological developments happening;

The Chair, Asif Hamid MBE referred to the adult skills issue and stated that one of the items for discussion in his Ministerial meeting that afternoon was the devolution of skills. He endorsed the idea of a list of key messages.

Mark Bousfield stated that they were already working on a note with key points for engagement. He expressed his thanks to Elaine Bowker for her thoughtfulness. He agreed that there was a need for a plan for adults being made redundant and looking to re-train, particularly in relation to retail redundancies.

Mark Bousfield referred to support for SME's and indicated that he would speak with Adrian Nolan and Matt Wicks to make contact with Chris Fry as soon as possible.

Mark Basnett referred to the representatives from BEIS who were in the meeting who were fully supportive of the Plan.

Mick Allen from BEIS stated that the Government were still looking at a national framework for recovery, so the submission of this plan was timely. He stated that BEIS had fed in their views via Mark Bousfield and his Team and they were keen to support the plan once submitted. He added that they would work with Ministers and endorsed the consistent approach suggested.

Mark Bousfield thanked Mick Allen for his ongoing support for the City Region.

420. PROJECT DEFEND BRIEFING

Hannah Randles, Health and Life Sciences Champion for Growth Platform and Innovation Agency on 'Project Defend' and the Liverpool City Region (LCR) response.

The presentation highlighted:-

- The approach of 'Project Defend' and the two phases;
- The UK Government position;
- The LCR context and opportunities;
- The LCR response;
- An overview of LCR projects; and
- Next steps.

Hannah Randles indicated that no other Local Enterprise Partnership was undertaking anything similar to this project. She hoped that this project would connect with the Economic Recovery Plan.

Mark Basnett, Managing Director of the Local Enterprise Partnership stated that there were opportunities for the LCR, in particular the issue of PPE shortage highlighted by Alder Hey and other Hospital Trusts. It was about connecting with manufacturing capabilities in the Region.

Dr Jon Hague indicated that there was an opportunity with the hydrogen resource, CO2 and renewable energy to design a very different chemical industry but a chemical company was needed to make it tangible. He also stated that work was being undertaken with Alder Hey Hospital to clean and re-use PPE to reduce the amount of waste into landfill.

Alex Dawson, BEIS said that the project had been developed in conjunction with the LCR to respond to current needs within Government. It wouldn't be strategy itself but it would link into new ways to solve problems.

Board Members were in support of the project.

421. SECTOR CHALLENGES DISCUSSION

The Chair, Asif Hamid MBE asked Board Members to provide an update on challenges within their sector.

Angela White OBE thanked Mark Bousfield and Dr Aileen Jones for their work on a shared sector recovery plan. She stated that the comments from Dwayne Johnson and Councillor Ian Maher were reflective of the impact in social business, communities and neighbourhoods across the City Region. 77% of organisations had lost income but there was a vast increase in need. She provided an example of a thriving business in the business quarter having to close even though it was doing great work with Young People in the catering industry. The bureaucracy around social distancing had impacted on businesses. There was support from partners in supporting organisations in overcoming legal issues relating to health and safety. She shared the concerns over the trickle down and lack of co-ordination of resources from Government. She added that there was a great optimism in the sector to move forward and build back better.

Mark Whitworth updated the Board and stated that most businesses were somewhat off the peak and there was a strong trend of recovery. He added that Liverpool had probably seen some of the best recovery across the UK. He stated that the automotive sector was still depressed but the food and construction sector were more positive.

Liz Mear stated that the NHS was still on a Level 4 Emergency. There were not as many cases flagging in Hospitals. She referred to 'Project Defend' and stated that the School of Tropical Medical had just received £18 million from UKRI. She felt that health was a growth area with SMEs being 60% of traffic and had landed a contract in health service. There was a trend of businesses re-purposing to produce PPE. The Health and Life Sciences Board had set up smaller sub groups to respond more appropriately. In terms of the national discussions, there was concern that the social care sector was being left behind and there was a question as to whether it should be joined up to the NHS. She stated that the City Region was very complex in its set up. The NHS were still in command and control mode and were trying to use it to their advantage as a single point of decision making. The DWP had been in touch and there had been some matching with jobs.

Dr Jon Hague provided an update and indicated that it was close to the end of Q2 and he had not seen all of the results but the figures were roughly flat with some dramatic growth in some areas but a decline in others. There had been some price drops on raw materials. In his sector business was doing okay. Unilever had not furloughed any employees. In different markets in the US, India and Brazil the virus was raging. There had been local opportunities due to increased demand in the homecare factory and effort had been put behind those areas of growth. Conversely they were struggling to sell ice-cream. Unilever had been very aggressive on costs with no new posts or pay rises. Whilst it was a tough measure, it was preserving jobs rather than having to restructure. The research and development laboratories were open with only employees who do lab work in attendance. It was nearly full to capacity even though it was only 25% of the people usually in work. Dr Hague

mentioned real estate and how it would be utilised in the future as he didn't think that use of office space would be the same. He suggested that this was an opportunity to learn lessons and set up a mechanism to review it and get ahead of the issue.

Professor Dame Janet Beer reported that since the Board last met she had been working across N8 and research into the possibility of bringing in charter flights from China was being undertaken. This would be as part of a service to students and Universities would provide coaches at Manchester Airport to take Students to their accommodation. She indicated that the Government had announced a package of support which consisted of 25% loan, 75% grant. The amount was fixed at whichever was lowest of fees. In relation to the subsidy for research the non-public funded amount was in there. UKRI funding was still awaited. She was also concerned about getting staff back to the campus to work. There was a lot of Covid-19 related work and the University was weighing up which vaccine trials to take part in.

Laura Pye updated the Board and stated she had attended the sector Board meeting on Tuesday and there was excitement about reopening some parts of the sector. She stated that World Museum and Walker Art Gallery were re-opening and the numbers of visitors and financial impact was significant. Visitor numbers were estimated to be 1,000 in comparison to 11,000 last year. She envisaged further challenges for the sector following the end of the furlough scheme. She expressed frustration at guidance from Government constantly changing and the absence of a road map for business tourism and theatres. This also impacted on hotel business. She concluded by stating that it was better than being in lockdown but the sector was still in crisis.

Elaine Bowker provided an update and stated that the main focus in further education was making sure that students got qualifications and there was a disproportionate impact. Adults were still not allowed to attend College, only young people. They were planning for September with a timetable split between attending College and online teaching. She added that even though there was a slowing of apprenticeships nationally, this was not the picture for the City Region and the numbers at the College were the highest that they'd ever had. She indicated that a big issue was transport and a co-ordinated approach was needed. Most students travelled from around the City Region and Lancashire. She stated that she was trying to speak to Liverpool City Council about timetables. Elaine also reported that she was working across a group on an upskill programme and she would know the outcome next year. There had been lots of enquiries from young people about courses. Skills was a big issue for young people in the City Region and also for the economic recovery.

Chris Fry updated the Board and felt that the sector was agnostic. Businesses were in debt and banks were only providing loans for necessary expenditure as a result of Covid-19 and not for business growth which was very restricting.

Paul Corcoran, Vice-Chair of the LCR LEP updated on the creative and digital sector. He stated that it was moving in the right direction and small businesses were using a blended approach. There was a 'zoom fatigue' effect with people wanting more face to face contact. Some businesses were using spaces differently, with more hot desking and breaking out into bigger spaces. He also stated how this would impact on the built environment as clients wanted ground floor space following concern about lift use. Cash flow was still challenging and finding the correct pots of money. There had been some information about reorganisation in big employers like Matalan and Telefonica. Demand for the 'Agent Academy' was going up but the supply of jobs was going down. More CV's were being submitted than ever before.

Redundancies were happening at a rapid pace. Protection for the local supply chain was being maintained by keeping spend local and payments prompt. Paul Corcoran said there was an opportunity for place branding, encouraging the City Region as a great location for starting up and scaling up and we needed to find ways to get the message out.

The Chair, Asif Hamid MBE stated this his company had the highest headcount for years and he was about to make another 200 employees permanent. There were 1688 employees across multiple sites and 400 people working from home. There had been a massive online surge and also international opportunities with India and the Philippines centres being closed. There was an expected rise of 42% in the BPO market. A survey of skills in his business had been undertaken in 2 pilots which found that 36% of people were graduates. A positive that offshore locations are struggling. Some clients had seen a massive rise in business, e.g. Moonpig and food deliveries were up by 400/500%. There was a surplus of white goods stock in warehouses. The Chair referred to his work with Crown Commercial Service on levelling up and spreading the market out.

The Chair referred to the building scenario and stated that it came up in the recovery challenge group. Some companies and institutions around the world were letting their offices go. That has an impact on 5G tech going forward.

Frank Rogers, Chief Executive of the LCR Combined Authority referred to the transport issue raised by Elaine Bowker and stated that he would ask Gary Evans to get in touch with Elaine and anyone else who needed support on transport issues.

Stephen Speed, BEIS thanked the Board for inviting him. He stated that it was very sobering listening to the experiences of Board Members but there were also shards of optimism. He suggested using a separate chat channel and that he would figure it out after meeting.

The Metro Mayor Steve Rotheram provided an update to Board and indicated that he continued to have round table meetings with the Prime Minister, The Chancellor and other Government Ministers. He stated that there was a lack of cohesion between Departments, some were happy to collaborate and some put up barriers and provided an example of this instance. He referred to various issues such as Traineeship and apprenticeship levy funding in particular. He stated that he continued to battle on and represent the views of the City Region.

The Chair, Asif Hamid MBE concluded the item and asked if anybody within the Board, thinks we have help further to reach out and we'll try and assist. He thanked everyone for their hard work.

422. BLACK LIVES MATTER UPDATE

Paul Corcoran, Vice-Chair of the Board updated the Board on action since the last meeting on the response to 'Black Lives Matter'. He indicated that he was working with Lorna Rogers from the Combined Authority to ensure a co-ordinated approach across the LCR and he was also engaging with Clare Duggan from NHS. Listening exercises had been undertaken and he was due to meet with Lorna to discuss the next steps and he would provide an update following that meeting.

423. CHAIR'S UPDATE

The Chair, Asif Hamid MBE indicated that he was in regular communication with various Government Ministers and Departments and attending NP11 meetings to discuss LCR issues and draw attention to matters raised by Board Members.

The Metro Mayor Steve Rotheram referred to the limited number of passengers using bus travel and the direct award of Government grants to Bus Operators, even though the Combined Authority were still required to pay for concessionary travel for 100% occupancy. He indicated that he was still pushing for devolution of the whole transport network for the Combined Authority to take control. He added that the Government were seeking projects/schemes for funding which were 'shovel ready' and the Authority were ready for when funding packages were announced. Schemes included new stations at Headbolt Lane, Kirkby and St James, Liverpool. The Metro Mayor expressed concern at the lack of co-ordination between Government Departments.

The Chair, Asif Hamid MBE agreed with the Metro Mayor regarding lack of co-ordination within Government. He thanked Mick Allen and his team at BEIS for their support.

The Chair also reported that the Brexit Council was being reconvened quite quickly. He was speaking with Mark Bousfield and Dr Aileen Jones to look at the initial plan with permutations.

The Chair took the opportunity to thank everyone for their hard work and effort as without it, we wouldn't be in this favourable position.

424. ANY OTHER BUSINESS

Mark Basnett reported that the LGF return was due in August, by written procedure and he would update it for it to be signed off. He also reported that the first tranche of the Future innovation Fund had been 20 times over-subscribed. He praised the work of the Combined Authority and Mark Bousfield and the appetite to innovate and adapt.

Mark Bousfield stated that the credit should go to Ben Heywood and Katie Dean for their hard work.

The Board were informed that the next meeting was due to be held on 17 September 2020.

Minutes 417 to 424 be received as a correct record on the 17th day of September 2020.

Chairperson of the Board

(The meeting closed at 10:32am)