



MEETING OF LIVERPOOL CITY REGION LOCAL ENTERPRISE PARTNERSHIP BOARD

AGENDA

DATE: Thursday, 25th March, 2021

TIME: 8.30 am

VENUE: Zoom Conference

**LIVERPOOL CITY REGION
LOCAL ENTERPRISE PARTNERSHIP
BOARD**

AGENDA

1. WELCOME AND DECLARATIONS OF INTERESTS (V)

Board Members to declare any interests in items on the agenda either at the outset of the meeting or when the item is discussed.

2. MINUTES AND MATTERS ARISING FROM THE PREVIOUS MEETING (P)

Board to confirm that the minutes are a correct record of the previous meeting and to receive a brief update on matters arising from it.

(Pages 1 - 10)

3. MEMBERS UPDATE (V)

Board Members invited to update the Board on the issues faced by them and their sector in the recovery phase of the pandemic and their anticipated prospects for 2021 especially in the light of our post-BREXIT status.

4. SOUTHPORT TOWN DEAL BRIEFING (PR)

Briefing from Sefton Council on the successful Southport Town Deal, the opportunities it creates to regenerate the town and how LEP and others can support the next phase.

5. RACE EQUALITY PROGRAMME - POSITIVE ACTION REVIEW (PR)

Innervision, the consultants appointed to undertake the Race Equality Review for LEP and Growth Platform will outline the work they are undertaking and how the LEP Board and its members can support this.

6. EMPLOYMENT AND SKILLS ACTION PLAN (P)

This report provides an update for the Board on the current employment and skills position and provision in the City Region and asks LEP Board for input to identify further gaps in provision, prospects for job opportunities and needs for reskilling and retraining.

(Pages 11 - 16)

7. FREEPORT UPDATE (V)

Kirsty Mclean (CA) and Simon Reid (LEP/Growth Platform) will provide a verbal update on Liverpool City Region's Freeport bid and the next steps further to the announcement in the Budget.

8. CHAIR'S UPDATE (V)

Asif to update the Board on significant recent activity as Chair including LEP Board Appointments

9. ANY OTHER BUSINESS

Next meeting – 3 June 2021 (8.30 – 10.30am) and then at 8.30am on:

22 July 2021
23 September 2021
25 November 2021

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

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Agenda Item 2

LIVERPOOL CITY REGION LOCAL ENTERPRISE PARTNERSHIP

At a meeting of the Liverpool City Region Local Enterprise Partnership held on Thursday, 21st January, 2021 the following Members were

PRESENT:

Mr A Hamid MBE, Chairperson of the Board
Paul Corcoran
Professor Dame J Beer
Elaine Bowker
Chris Fry
Dr Jonathan Hague
Mike Hulme
Laura Pye
Angela White OBE
Metro Mayor S Rotheram
Councillor W Simon
Councillor Janette Williamson
Lynn Collins

ALSO IN ATTENDANCE:

Councillor Graham Morgan, Leader of Knowsley Council
Mark Basnett, Managing Director, LCR LEP
Tony Reeves, Chief Executive, Liverpool City Council
Myrtle Lloyd, North West Head of Place
Stephen Speed, LEP Champion
Kirsty McLean, Director of Policy and Strategic Commissioning, LCR Combined Authority
Tony Wade, Finance Director, LCR LEP
Mick Allen, BEIS

APOLOGIES

Mark Whitworth
Frank Rogers, Chief Executive, LCR Combined Authority
Mark Bousfield, Director of Commercial Development and Investment, LCR Combined Authority
Jill Coule, Monitoring Officer, LCR Combined Authority

446. WELCOME AND DECLARATION OF INTERESTS (V)

The Chair, Asif Hamid MBE, welcomed Board Members to the meeting and introduced Councillor Wendy Simon who was attending her first Board meeting, following her appointment as the LCR Combined Authority Portfolio Holder: Education, Employment and Skills.

The Chair also welcomed Myrtle Lloyd to the meeting who was the North West regional Head of Place within the Civil Service. The Chair also explained that Stephen Speed, LEP Champion for the Liverpool City Region, was also in attendance.

Myrtle Lloyd explained that the Head of Place was a trial role within the Civil Service which would conclude at the end of March 2021. The aim of the role was to improve engagement between central Government, local Leaders and the place to

understand the priorities in the region and link back to Central Government providing policy, strategy and delivery in a more meaningful way.

Myrtle informed the Board that there were 12 Heads of Place, each responsible for a region. There were developing relationships with the stakeholders in the area to understand what the priorities of the place were and whether there was an appetite for such a role in the long term.

Myrtle explained that each of the Heads of Place had been chosen from different Government departments and backgrounds. The role would be evaluated at the end of March and determine what characteristics would be required and the structure requirements, should the role continue.

No Declarations of Interest where submitted by Board Members.

447. MINUTES AND MATTERS ARISING FROM THE PREVIOUS MEETING (P)

The Board considered the minutes of the meeting held on 26 November 2020. They were received as a correct record and signed by the Chair.

Mark Basnett, Managing Director of the LCR Local Enterprise Partnership, reported that there were several matters arising for mention.

In relation to Minute 443 – Project Boom, Dr Jonathan Hague explained that there had been several productive discussions with Professor Dame Janet Beer and Mark Basnett. Peter Gallagher had brought some impetus to the Project and it was gaining momentum with the patent bank, which demonstrated that the City Region required a dedicated resource to lead on the project.

Professor Dame Janet Beer advised that it was her understanding the STFC could not support the approach laid out in the plans for the patent bank. The University of Liverpool was happy to keep the conversation going but wanted it to be inclusive. Professor Dame Janet Beer and Dr Jonathan Hague undertook to discuss this matter separately.

Mark Basnett explained that he had separate discussions with Paul Burnham who had confirmed the STFC issues regarding the patent perspective. However, there was a commitment to address the commercialisation of innovation and take forward this important agenda.

The Chair, Asif Hamid MBE, reported that he had recently spoken with Peter Gallagher and had requested to meet with him and Dr Jonathan Hague, Professor Dame Janet Beer and Mark Basnett to identify a way forward.

Mark Basnett advised Board Members that a briefing note, in relation to Project Defend, was in the process of being prepared. The briefing note would reflect the role the City Region could have in leveraging health and life science expertise to support vaccine development and inward investment.

Paul Corcoran referred to a project Business in the Community were co-ordinating, which was distributing donated laptops from the business community, to those who needed them most. Paul also advised the Board that the Bulky Bob service was also operating something similar. He encouraged Board Members to donate any unwanted computer equipment to these organisations.

448. MEMBERS UPDATE (V)

Mike Hulme provided the Board with a brief summary of the work undertaken by Alstom who were based in Widnes. This currently included working on the rolling stock fleet for Avanti trains and Transport for London. He explained that as a consequence of the pandemic Alstom were having to ensure they provided value for money to the train operators as a consequence of a reduction in operation. However, in the long-term Alstom would be focusing on the green and digital agenda, which would be reflected in the upgrade of the Avanti fleet. He noted that there were some challenges in the short term, however, with the acquisition of Bombardier and a number of other projects, the long-term future of Alstom in Widnes was positive.

Tony Reeves, Chief Executive of Liverpool City Council, noted that the levelling up agenda wasn't supporting the City of the City Region's recovery. He suggested that investment was required in areas which would support growth, such as a city or city region. Tony explained that there was a lot of positive work taking place in the City Region, particularly in addressing the impacts of covid, which presented a number of supply chain opportunities. For example, President Joe Biden and Harvard University were engaging with The University of Liverpool on how they had taken a lead on mass testing, which could lead to the University developing its capacity in infectious disease research even further. He acknowledged that there were a number of challenges facing the region, however, there was a lot of strength and it was important that Government did not adopt a one size fits all approach to recovering from the pandemic, explaining that areas such as the City Region required resources rather than support.

Tony also advised the Board that a vaccine centre had been set up at the Totally Wicked Stadium in St Helens, which provided the potential for innovation and leadership which would set the City Region apart. He also referred to The University of Liverpool's Veterinary School which was an exemplar in understanding Zootic diseases. Furthermore, the City Region also had a number of chemical and engineering innovation assets which provided the potential for public and private sector partnerships and combined placed the City Region on a strong national and global footing.

Angela White OBE provided an update in relation to the Voluntary Sector. She explained that the sector was feeling the strain with continuing to respond to the pandemic and reiterated that the sector had not received a dedicated settlement nationally which was impacting on the flow of resources. She reported that there was much uncertainty in the sector, which employed 8000 people, due to there not being a dedicated support fund for Charities, uncertainty in relation to local authority settlements and the re-configuration of the health system. She encouraged Local Authorities and Clinical Commissioning Groups to provide certainty to the sector where they could.

Locally, a series of Build Back Better events had been held which would contribute to the social economy and the value of the City Region. Angela noted that the use of technology was bringing strength and diversity to the sector with strong development pathways introduced in Sefton to support the most vulnerable. Angela informed the Board that social capital across the City Region was excellent with over 5000 volunteers registering to support the NHS during the pandemic, which provided a catalyst to have discussions with partners to identify how social value through volunteering could be expanded further. In conclusion, Angela explained that the sector was beginning to receive digital support which she welcomed and noted how this provided an opportunity to develop a graduate programme at the University.

Professor Dame Janet Beer offered to put Angela in contact with the Head of Careers at The University of Liverpool to discuss the graduate programme.

Professor Dame Janet Beer provided an update on the impact the Higher Education sector was experiencing as a consequence of the Brexit settlement, noting that collaboration with researchers in the EU should now become a priority. Furthermore, the UK Government had chosen not to retain membership of The Erasmus Programme and were instead launching the Turing Scheme. The impact of this would require EU students to have to pay full tuition fees from the new academic year and she set out the implications this would have on the student population and the City Region's economy.

With regards to the impact of covid on the University, Professor Dame Janet Beer, indicated that students could potentially return to campus after the Easter break depending on government and public health guidance. However, arrangements would be put in place to ensure students who required laboratory time would get it. On a positive note, the University had submitted research applications to the level of £45.1m and so far £19.1m had been awarded, with £21.4m still pending decision. In conclusion, the Board was informed that the City Region had been at the forefront of repurposing existing drugs to treat covid. The University also had the biggest data set of animal to human infection information which would be used in projects to secure future investment.

Laura Pye, on behalf of the visitor sector explained that by the City Region remaining in Tier 2 in the lead up to the Christmas period had enabled a number of businesses to continue trading which was significantly important. However, the sector now faced real challenges and uncertainty and it was only through the Furlough Scheme that they were surviving. She explained that the Furlough Scheme was due to end in April and it should be extended in addition to continued business rates relief to enable businesses to survive. She advised the Board that it would take the sector between three to five years to recover.

Paul Corcoran explained that the trend in new jobs was being to emerge in the digital sector. However, this brought challenges in understanding the skill requirements of these jobs, some of which haven't existed before. He explained how he had connected with businesses to understand the challenges they were facing and they had reported that there was a lack of appropriately skilled people to recruit to tech jobs. He provided an example of Firesprite, who were recruiting 63 high end tech jobs in Liverpool and how collectively the City Region had to understand the impact of the Place in attracting talent into the Region. As such he had established a sub group to understand how talent could be attracted to the City Region. He explained that the sector was beginning to make some positive steps forward, however, the skills in the sector were new and this would impact upon the speed of its recovery.

Paul reported that the work of the Task and Finish Group had helped to understand what new entrepreneurs would be entering the sector and determine the support they would need and how this was scaled up. As a consequence of the pandemic, consideration should be given to the spaces available for businesses and whether the current space, place and infrastructure supported a dynamic and innovative environment. He also encouraged the public sector to consider their procurement arrangements so they were supported and invested in local and digital tech communities by adding credits to those who were making social impacts in employment and jobs.

The Chair, Asif Hamid MBE, explained that he was keen to get City Region businesses involved with the National Framework procurement contract.

Lynn Collins on behalf of the Trade Union sector, brought the Board's attention to two key reports which had recently been published. The first was in relation to a working parent survey which had received 55,000 responses. The survey had found that 7 out of 10 requests for flexible furlough had been declined and that women had had requests for reduced hours declined and been told to leave their employment instead. The survey had also identified that there were many more people who were from the BAME community who were in insecure employment in comparison to the white community. As part of the economic recovery there was a challenge as to how the labour market would be restructured.

Lynn advised the Board that representatives from the private sector trade unions would be coming together in February to consider how to deliver on Building Back Better. She also reported that subject to approval by the LCR Combined Authority, a LCR Fair Employment Charter would be launched on 9 February and encouraged Board Members to consider how they could achieve accreditation.

Dr Jonathon Hague reported that Unilever's top and bottom line had grown, and the sector had been robust during the pandemic, with growth being seen in the United States. He advised the Board, that locally, Unilever was releasing funds to re-invest and increase R&D staff at its Wirral site. Furthermore, a grant had been secured from The University of Liverpool which would support a flagship programme and signal the City Region's ambition for materials chemistry.

Elaine Bowker reported that the Skills for Jobs White Paper had been launched today. She had been invited to talk at a national event about re-skill, up-skill and had also started to share experiences with other devolved areas. Elaine advised the Board that there were a lot of students who were vulnerable, who either had no laptop, data or a supportive learning environment. To date the college had distributed 4,000 laptops to students and a further 4,000 laptops were still required and explained some of the financial difficulties adult learners were experiencing. However, adults were still applying for up skilling training and Elaine placed on record her thanks to the Metro Mayor, Steve Rotheram for his support. She explained to the Board that technical qualifications and BTEC students were being disadvantaged as unlike their A Level counterparts who had had their exams cancelled; 1,000 students had taken exams in January. The situation was similar for students on the Access course, which had not been adapted in light of the pandemic and these students would be in competition with A Level students.

Councillor Wendy Simon reported on the work of her Portfolio: Education, Employment and Skills at the LCR Combined Authority, explaining that she had only recently been appointed to the position and placed on record her thanks to officers at the Combined Authority for the informative briefings. She advised the Board that the current focus was on the local skills audit. She explained that there was an un-co-ordinated approach to careers support which was disjointed and at times gave conflicting advice. As such, it was important that the right information was available for young people and those who were re-skilling.

Councillor Janette Williamson provided a summary of the budgetary pressures facing Wirral Council. She welcomed the procurement suggestion from Paul Corcoran and stressed the importance of ensuring that the building back from covid had to be community driven.

Councillor Graham Morgan also welcomed the procurement suggestion from Paul Corcoran and undertook to facilitate a meeting with officers from Knowsley Council. He explained that the covid position was worsening in the Borough and queries were being received from local businesses who were exploring the eligibility for financial business support, with a high number of the requests being received from micro businesses. He acknowledged that the £30m fund for discretionary support had been invaluable. Furthermore, the Council was continuing to support residents through Knowsley Works and the Apprenticeship programme.

Metro Mayor Steve Rotheram advised Board Members that the City Region's decision to enter into Tier 3 in October 2020 as a consequence of increasing transmission rates had been the right decision. Furthermore, this was only achieved by the Government agreeing to a support package for businesses in the region, he expressed his frustration at the changing levels in furlough from 67% to 80% as a consequence of London entering into Tier 3. The Metro Mayor explained to the Board that as part of the negotiations with central government he had secured a parity clause, which meant that if another region secured a better financial deal as a consequence of going into a Tier then the City Region would receive the same uplift. He expressed his anger that the Government had not delivered on this and he was continuing to challenge Government on this issue. He also referred to the business support packages the Combined Authority and constituent Local Authorities had provided to businesses in the City Region who had been excluded by Government. The Metro Mayor acknowledged that unless Government provided the required financial support then there would be a need to increase revenue otherwise there wouldn't be the funding to build the pipeline of City Region projects, which would also support the economic recovery.

The Chair, Asif Hamid MBE, thanked Board Members for the updates and paid tribute to the work of the Combined Authority and constituent Local Authorities for ensuring financial support was disbursed quickly to businesses in the City Region.

449. FREEPORT (P)

Kirsty McLean, Director of Policy and Strategic Commissioning, advised Board Members that the introduction of Freeports was a priority of the Chancellor's and there would be 10 across the country and 7 in England. It was reported that progress had been made on the development of the submission since the last meeting of this Board. Sefton Council had expressed concerns about the environmental and community impact a Freeport would have on the area surrounding.

Kirsty informed the Board that a Freeport in the City Region would need to bring high quality opportunities and this would be set out clearly in the submission. Furthermore, engagement from the LCR LEP and business community on the potential for a Freeport had been positive. Discussions were ongoing with the automotive sector and a session would be held with the Chamber of Commerce to explain the Freeport bid. It was recognised that due to the challenging timescales for submission, there maybe sectors and businesses who hadn't been engaged in the discussions and this would be scaled up in the coming weeks.

Kirsty provided the Board with a summary of what the Freeport site would encompass which included a Freeport management centre, three tax sites and an unlimited number of custom sites, however, there needed to be an economic rationale for the identification of the custom sites. The primary site would be the Port of Liverpool. The bid had a strong focus on how the Freeport would enable innovation and decarbonisation, which was important. In conclusion, it was reported

that if the Freeport bid was successful it would deliver job opportunities and skill development, however, it had to be shaped so it was right for the City Region. The deadline for submission was Friday 5 February 2021 and the successful bids would be announced by the Chancellor at the Budget.

Councillor Graham Morgan placed on record his thanks to Kirsty and the team for developing the bid. He indicated his support of the recommendations in the report and the positive economic impact they could bring to the City Region. However, he noted that Sefton Council had raised concerns regarding the bid for Freeport status, in particular the environmental impact, such as increased traffic, along Dunnings Bridge Road. He suggested that this could be resolved by the Government investing in a new rail infrastructure directly into the Port, which would also support the climate change agenda.

Lynn Collins emphasised the importance of employment rights in relation to the Freeport. She referred to the good work the Combined Authority was undertaking in relation to the Good Business Festival and the Fair Employment Charter and suggested that this ethos should be reflected within the Freeport. She advised the Board that a detailed Trade Union response would be submitted and sought clarity on why there was no Trade Union representation on the Freeport Advisory Panel.

Dr Jonathan Hague suggested that the themes of innovation within the Freeport bid should be aligned to the City Region's materials chemistry capabilities.

RESOLVED – That:-

- (i) The work undertaken to date on the development of a Freeport proposition be noted;
- (ii) The submission of a Liverpool City Region Freeport bid be endorsed; and
- (iii) Authority be delegated to the LEP Chair to formally support the bid on behalf of the LEP.

450. LCR DIGITAL STRATEGY AND ACTION PLAN 2021-23 (P)

John Whaling, Innovation and Commercialisation Lead Officer, LCR Combined Authority, presented a draft Liverpool City Region Digital Strategy and Action Plan to the Board.

John provided a presentation to the Board which set out the rationale for the introduction of the Digital Strategy and explained that the Strategy had six themes, which were: -

- Digital Infrastructure and connectivity;
- Tech for good and a Smart City Region;
- Digital and CreaTech sector development;
- Cross-sector digitalisation and artificial intelligence;
- Digital skills for recovery and growth; and
- Digital Inclusion.

The Board welcomed the Digital Strategy and Action Plan. Mike Hulme sought clarity on how the value was extracted, he could provide some up front examples of process and tech.

Paul Corcoran acknowledged that the Digital Strategy was well timed for the City Region and it was important to invest time into decarbonisation. He stressed the importance of ensuring the Combined Authority and the LEP had the resource capacity to deliver the strategy and action plan, otherwise the City Region wouldn't reap the benefits of it.

RESOLVED – That

- (i) The purpose of the draft Strategy and Action Plan and the process undertaken to develop these be noted;
- (ii) The need for a collective LCR Digital Strategy and Action Plan, plus the specific vision, themes, sub-priorities and actions contained in them be endorsed;
- (iii) The draft LCR Digital Strategy and Action be endorsed, subject to Combined Authority approval on the 26 February 2021; and
- (iv) The delivery of the Strategy and Action Plan be actively supported, once formally approved.

451. NET ZERO NORTH WEST (PR)

Paul Corcoran informed the Board that Net Zero North West had been established to help to create a low carbon culture.

Carl Ennis took the Board through a presentation which explained that Net Zero North West was a newly formed industry-led cluster acting as a public and private sector investment vehicle for industrial decarbonisation and clean growth projects in the North West. The Board was advised that decarbonisation was a challenging issue which required a joined up approach, particularly given the high concentration of advanced manufacturing and chemical production in the UK. The North West was in a well placed position to be at the forefront of this agenda given the large industrial base and was well supported by transport links and assets which demonstrated how to decarbonise the industry.

Carl explained that the Net Zero North West Group was newly formed but the issue had been around for some time and reported that there was a lot of activity already taking place but to achieve the Net Zero target this had to be scaled up and replicated. Therefore, the Group would focus on raising the profile of opportunities to support organisations to draw investment from Government and the private sector to support decarbonisation.

The Chair, Asif Hamid MBE, thanked Carl and Ged for the presentation and Paul for championing this agenda and looked forward to the continued work on the strategy.

Paul set out the next steps which included analysis of the north west data and bringing it together. Furthermore, the Road to Zero Conference was taking place this year and this provided the perfect catalyst to promote the projects and use the opportunities to demonstrate what was taking place in the North West.

452. RACE EQUALITY PROGRAMME - POSITIVE ACTION FRAMEWORK (P)

Mark Basnett, Managing Director, LCR LEP, provided the Board with an update on the work the Combined Authority had commissioned to develop a Race Equality Programme and establish a Positive Action Framework. He referred to the earlier comment from Lynn Collins, in which she sighted the financial challenges the BAME community were facing and it was important that the LEP played its role in addressing culture and organisation changes so it could be part of the solution. The Board was advised that Asif Hamid MBE, Paul Corcoran and Elaine Bowker were leading on this and there was a lot of work taking place across the LEP.

RESOLVED – That

- (i) The detail of each commission to improve racial equality in the City Region employment and business support be noted; and
- (ii) Each commission be endorsed and the Board commits to working to support their development and implementation.

453. CHAIR'S UPDATE (V)

The Chair, Asif Hamid MBE, explained that there was a significant amount of dialogue taking place with Government, in particular talking to the Chancellor regarding the Furlough Scheme and undertook to raise the issues set out by Laura Pye.

He explained that the Employment and Skills Board had considered the skills priorities for 2021-22 and would welcome the opportunity to share them with the Board for their input.

Asif reported that the Annual Performance assessment for the LEP would be held on 10 February 2021 and an update would be provided at the next Board meeting on 25 March 2021. In conclusion, he thanked Board Members for their attendance and input and their work during the pandemic.

Minutes 446 to 453 be received as a correct record on the 25 day of March 2021.

Chairperson of the Board

(The meeting closed at 10.45 am)

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Employment and Skills Update

LEP Board Meeting 25 March 2021

Author:
Rob Tabb
LCR CA

Presented by:
Kirsty McLean
LCR CA

1. PURPOSE

- 1.1 The purpose of this report is to provide an update on the employment and skills position in the City Region and outline the work under way, led by the reformed Employment and Skills Board, to tackle this.

2. RECOMMENDATIONS

- 2.1 Liverpool City Region LEP Board are recommended to:

- a) Consider the update on the employment and skills position in the City Region;
- b) Identify gaps in support and opportunities to support businesses and people to retrain and secure employment in light of the impact of covid, the changing employment landscape and the new skills needed by businesses; and
- c) Advise on any emerging views on where job growth will come from in the future and how support could best be targeted to support businesses and people make the most of those opportunities

3. BACKGROUND

- 3.1 The economic crisis provoked by the COVID-19 pandemic has had a detrimental effect on the people and businesses in the City Region: prior to this crisis, the City Region was performing well, and seeing increases in employment and decreases in unemployment and economic inactivity.
- 3.2 The longstanding issue of qualification levels in the City Region being below national rates continues, and there is a significant risk of these being widened as a result of this crisis. Whilst there has been positive progress of late, there remain gaps in GCSE attainment and at all qualification levels in comparison to national rates. Qualifications are used by many employers to sift applications hence the reason it is important to focus upon them and help residents to attain them.
- 3.3 This overall positive performance masked a number of significant gaps for some groups and people, with black and ethnic minority people and those with a disability in particular requiring additional focus and support.

	Liverpool City Region	England	Gap 2020	Gap 2019	Gap 2018
Overall	73.8%	76.5%	2.7%	4.6%	5.5%
Males	78.5%	80.2%	1.7%	6.3%	5.7%
Females	69.2%	72.8%	3.6%	2.9%	5.2%
Ethnic minority people	58.2%	67.6%	9.4%	2.7%	5.4%
People with a disability	49.6%	56.8%	7.2%	9.8%	10.4%

- 3.4 The economic crisis has seen an increase in the number of people claiming unemployment benefits of 88% to November 2020, with over 7.7% of the population in this category. This rise has been concentrated in areas of existing low employment and income, which are also the areas that have seen the highest rate of covid infections.
- 3.5 The number of people on furlough has reduced and mitigated the expect increase in unemployment, and there is a risk of people being made redundant at the end of this period. Many businesses are finding it hard to survive this extended period, particularly in the Visitor and Culture Economy. There are other businesses, especially those in health, care and logistics, who have seen strong demand for jobs and growth over recent months, and which

expect to continue further. The number of vacancies being advertised has improved since Spring 2020 but this is still below where it was in early 2020: the current level of vacancies is around 90% of the pre crisis levels, which is the highest it has been since then.

- 3.6 Young people have been more affected than most in their job prospects, with them more likely to be working in affected sectors and employers than older workers. The additional support through schemes such as Kickstart is welcome, and the benefits of these will need to be fully seized for the City Region is the worst scarring excesses are to be avoided.
- 3.7 Apprentice starts have understandably fallen with the difficulties that businesses have been facing at the current time. The data suggests that starts for 16-18s have maintained their share but anecdotal feedback from training providers suggests that employers are starting to look for 19-24 year olds rather than 16-18 year olds. Support needs to continue to be in place to ensure that 16-18 year olds are able to access apprenticeship opportunities.

LCR Apprenticeship Starts [All Levels]								
Age	2016/17		2017/18		2018/19		2019/20	
	Starts	%	Starts	%	Starts	%	Starts	%
<19	3,720	20%	3,240	26%	2,730	22%	2,200	22%
19-24	4,940	27%	3,250	27%	3,270	27%	2,560	25%
25+	10,000	54%	5,750	47%	6,200	51%	5,300	53%
Total	18,630		12,240		12,200		10,060	

- 3.8 Schools, colleges, training providers and universities have responded well and swiftly to the changes required of them over the last 12 months, with a large focus on digital learning and remote support being available. New qualifications have been introduced in our colleges which more closely meet the needs of businesses locally. Providers have demonstrated significant resilience and flexibility to meet employer and learner demands. Yet this has shown that there are many people who are unable to access digital learning, due to lack of equipment, connectivity or a quiet place to study. Many organisations (included those funded through the devolved Adult Education Budget) have been able to provide digital equipment and connectivity, but there are still learners who find themselves digitally excluded.
- 3.9 There are a number of trends which can be captured from this current crisis which are likely to continue long after this: adopting a more hybrid approach to office/home based working, the expansion of the employer role and a social safety net and the change from efficiency to resilience as a focus are amongst them. Businesses will need to adapt to these trends, and the training support they require to capture these will need to change: businesses need to be clear about what these trends will be and to communicate them effectively.
- 3.10 The City Region has a number of strong assets and opportunities for significant growth and development over the coming years: this includes:
 - capturing the benefits of strategic investments including Liverpool Waters, Wirral Waters;
 - the realisation of the benefits of a Freeport whilst maintaining employment standards;
 - moving towards more low carbon energy production and use with offshore wind, hydrogen and tidal energy and retrofitting homes to be energy efficient;
 - capitalising on the strong innovation assets through Universities and research intensive businesses in bioscience, material chemistry and cognitive computing in particular; and
 - building and developing the existing business base to contribute towards recovery.
- 3.11 Capturing the benefits of these opportunities will require concerted efforts between businesses and civic organisations and ensure that the growth and opportunities are inclusive and help to address the longer term challenges that the City Region faces.

4. RESPONSES

- 4.1 The unprecedented economic crisis has led to a significant and evolving response from national Government to address the issues faced by people and businesses. This includes:
- £2bn Kickstart programmes, to provide 6 month paid work placements for 16-24 year olds at risk of long term unemployment;
 - Grants to incentivise the creation of apprenticeships (rising to £3,000 from 1 April 2021);
 - Support for 18/19 year olds to remain in full time education in 2020/21;
 - £2.9bn Restart programme to help people who have been out of work for 1-2 years to get back into work;
 - Doubled the number of Work Coaches in Jobcentre Plus;
 - £238m Job Entry Targeted Scheme to help people who have been out of work for 3-6 months with focused support to get them back into work;
 - Additional funding for job specific training, where this leads to guaranteed interviews;
 - £95m to extend the entitlement to all adult to receive free training at Level 3 in specific courses.
- 4.2 There has been a range of grants and support for businesses administered through the Combined Authority, Growth Platform and Councils. On top of that, locally commissioned and delivered employment and skills support for residents and businesses includes:
- Support for businesses with the costs of training with Skills and Apprenticeship Hub, accessed through the Skills Brokers in Growth Platform (this includes help with apprenticeship levy transfer);
 - £4m ESF awarded to University of Liverpool and Liverpool John Moores University to improve graduate employability;
 - £2m awarded to Liverpool John Moores University to enable leadership and management training for staff in smaller businesses;
 - £2m to Entrepreneurship Hub to provide entrepreneurship training, complementary to existing advice and support;
 - £1.6m Digital Skills Bootcamp to support businesses to recruit and retain staff in digital skills;
 - Provided flexibilities to Adult Education Budget contractors to enable them to deliver in line with the needs of learners and employers and provided £1.8m in Digital and Access grants awarded to all providers in year;
 - Commissioned the Positive Action in Employment Review which will identify recommendations to improve the experiences of people from ethnic minorities in securing and progressing in work;
 - Facilitated session with local CIPD branch on promoting positive mental health at work with over 120 people attending; and
 - Continued support for people seeking work through Councils' Ways to Work programme and engagement with those furthest from work through Households into Work.
- 4.3 The newly reformed Employment and Skills Board (chaired in the interim by Asif Hamid) has set out clearly the current skills needs in the City Region. Working closely with the LEP's Sector Boards, these skills needs were identified in detail in the Local Skills Action Plan 2021/22, agreed by the Combined Authority in February 2021. Colleges, training providers and universities have been asked to work with businesses to ensure that these skills needs can be met. In addition, further in depth work has been undertaken on apprenticeships and careers education to identify a series of local actions to improve matters.
- 4.4 Despite lobbying and engagement with Government over recent months, including through Build Back Better the City Region's Economic Recovery Plan, the view is that the following remain as gaps within the system:

- There is no temporary job scheme in place for residents aged over 25: given the sharp increase in the number of people who are out of work and the slow increase in the number of vacancies, “Kickstart for adults” would bridge that gap;
- There are elements of reskilling and retraining that can be supported, and it is hoped that further funding for digital skills will come forward in Spring 2021, but there are significant gaps to help businesses to retrain their staff for the new opportunities arising from the current crisis and Brexit and ways of working; and
- The planned changes to apprenticeships are welcome but the guidance on the use of the apprentice levy remains restrictive: freeing this up to allow an element to be used for wages would enable the creation of many more apprenticeships.

The views of the LEP Board are requested on whether there are any further gaps in support that need to be filled in order to support businesses and people in securing inclusive economic recovery.

- 4.5 Whilst there is intelligence available from published and purchased sources, gaining additional feedback and insight from leading businesses and employers is always helpful. The LEP Board are asked to identify from their organisation and sector:

- Prospects for job creation/redundancies; and
- Opportunities and needs for reskilling and retraining.

5. CONCLUSION

- 5.1 This report has provided an update on the employment and skills position and provision in the City Region and asked the LEP Board for input to identify further gaps in provision, prospects for job opportunities and needs for reskilling and retraining.

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