



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

AGENDA

DATE: Thursday, 12th May, 2022

TIME: 8.30 am

VENUE: Remotely

**LIVERPOOL CITY REGION
LOCAL ENTERPRISE PARTNERSHIP BOARD**

AGENDA

1. WELCOME AND DECLARATIONS OF INTERESTS (V)

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

To include:-

- Launch of the Innovation Prospectus; and
- Freeport

(Pages 1 - 8)

3. BOARD MEMBERS' FEEDBACK (V)

Board Members Feedback has been reduced to 15 minutes to allow time for full consideration of the agenda items. Members who wish to provide an update on critical issues for their organisation/sector are welcome to do so in brief, keeping to 2-3 minutes.

4. UK SHARED PROSPERITY FUND (P)

Aileen Jones will present the paper on the UKSPF, including the proposed priorities for this funding and the process and timing for approval and implementation. Board members are asked to review the paper and share their views on priorities for this funding.

(Pages 9 - 22)

5. LEP REVIEW AND TRANSITION (P AND V)

Mark Basnett (supported by Combined Authority (CA) colleagues Jill Coule and Aileen Jones) will talk to the paper on implementing the LEP Review, its implications and the process to a Transition Plan which is being jointly prepared by the LEP and CA. Board members are invited to share their views.

(Pages 23 - 28)

6. FUTURE IMPACT BOARD (PR)

Asif Hamid to introduce a brief presentation from members of the Future Impact Board on helping to articulate the voice of young people across key business boards in the City Region – as raised by Members at the last LEP Board Meeting.

7. INWARD INVESTMENT UPDATE (PR)

Mark Basnett will provide an update on the performance of the City Region's Inward Investment Service and the significant plans for the year ahead. Board Members are invited to share their views and actively engage in the coming year.

8. CHAIR'S UPDATE (V)

Asif Hamid will update the Board on significant recent and forthcoming activity as Chair.

9. ANY OTHER BUSINESS

Next Meeting 7 July 2022 at 8.30am.

It is proposed that the July Board is held in person at 1 Mann Island.

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

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LIVERPOOL CITY REGION LOCAL ENTERPRISE PARTNERSHIP

At a meeting of the Liverpool City Region Local Enterprise Partnership held on MS Teams on Thursday 10 March 2022 the following Members were

PRESENT

Asif Hamid MBE - Chairperson of the Board in the Chair.
Paul Corcoran – Deputy Chair
Melinda Acutt
Mayor Joanne Anderson
Elaine Bowker
Professor Jonathan Hague
Gloria Hyatt
Tom O'Brien
Laura Pye
Metro Mayor Steve Rotheram
Angela White OBE
Mark Whitworth

ALSO IN ATTENDANCE

Mark Basnett – Managing Director LCR LEP
Councillor Graham Morgan – Leader Knowsley Council
Kirsty McLean – Executive Director LCRCA
Jill Coule – Chief Legal Officer LCRCA
Raphael Miller – Co-Head of Investment LCRCA
Rob Tabb – Policy Lead Employment and Skills LCRCA
Ste Tant – Deputy Area Lead LCRCA
Shelley Lockett – LEP
Mick Allen – BEIS
Suzi Smith – Growth Platform
Colin Money Penny -Democratic Services LCRCA (Minutes)

APOLOGIES

Apologies for absence were received from Councillor Janette Williamson and Professor Dame Janet Beer.

498 WELCOME AND DECLARATIONS OF INTEREST

The Chair, Asif Hamid MBE opened the meeting and welcomed everyone who was present. He reminded Members of the Board of the requirement to make appropriate declarations of interest where needed.

499. MINUTES AND MATTERS ARISING FROM PREVIOUS MEETING

The minutes of the last meeting of the Board held on 25 November 2021 were approved as a correct record subject to minor amendments to attendance and clarification of Gloria Hyatt research as notified for final version of published minutes.

The Chair asked for minutes to be concise rather than detailed in future if possible. He then asked for an update on any matters arising and the following were reported upon:-

(a) Freeport Update

Tom O'Brien (ToB) provided an encouraging update that the Freeport Board was established and would soon meet formally for its first meeting. The Outline Business Case was approved and there was movement towards the full Business Case while advice was provided on the Gateway Policy and upon the progress being made on the ground in St Helens Parkside, Wirral Waters and the site in Halton. Enquiries were being received from good companies. The full Business Case would be client friendly and was due in mid-April and ToB advised of the need for a narrative to be developed around the benefits of the Freeport to the LCR; and

(b) Plan for Prosperity

Kirsty McLean provided a summary of the next steps in terms of the Plan for Prosperity which had now been approved by the LCRCA. As the City Region economic strategy, it was seeking to invest resources intelligently and with maximum impact with a range of aims such as tackling inequality, providing opportunities, setting environmental standards and placing the LCR on the global stage. Time would now be allocated on the Plan and not just on seeking funding

500. FEEDBACK FROM BOARD MEMBERS

The Chair, Asif Hamid, invited Board Members to provide an update on the current position in relation to their sector or area of responsibility.

Metro Mayor Steve Rotheram

Metro Mayor Steve Rotheram (SR) provide his outline summary of the key activities he had been involved in recently and he advised that he would then need to leave the meeting.

SR commenced by highlighting the response to the current war taking place with the invasion of Ukraine by Russia and the desperate plight for victims and refugees. This was at the forefront of the thoughts of everyone in the City Region but he also asked the Board to note:-

- (a) the success of the Convention of the North which the LCR had staged in the Knowledge Quarter in Liverpool and the anticipation that this would lead to a further visit soon to the LCR by Michael Gove the Secretary of State for Levelling Up;
- (b) other ministerial meetings he had participated in and the messages that had been given to Government on Levelling Up and not being part of the Innovation Pilot;
- (c) the decision made by the Combined Authority in relation to the regulation of the Bus Sector and progress towards a franchising model; and
- (d) the position with regard to the £30m LCRCA funding being withdrawn in relation to the development of the new Stadium for Everton Football Club at

Bramley-Moore Dock and an explanation of the public announcement made in this respect to clarify what had happened. A £15m grant remained in place to protect historic assets at the site.

Jonathan Hague registered the full support of the Innovation Board particularly in relation to Greater Manchester and SR emphasised that the natural assets of the City Region could help achieve step change.

Melinda Acutt

Melinda Acutt (MA) provided an update on behalf of the Clean Growth Board.

There was a pilot project to support SME's on their journeys towards Net Zero while the energy price crisis was raising concerns for business and for households. She also raised the additional work needed to improve energy efficiency in the retrofitting of homes and the willingness of the CG Board to help with this.

Elaine Bowker

Elaine Bowker (EB) provided an update from the perspective of the Further Education Sector.

EB said that there remained a difficulty with ensuring the market had enough supply of key labour skills and different approaches were being taken to address this and provide the right talent across the sectors where there were shortages. Salaries were increasing and the DFE had created a working group on how to improve the efficacy of Bootcamps such as for HGV drivers where there was great demand. On Equality, Diversity and Inclusion there was a National Conference on 16 March 2022 and a podcast on anti-racism from a place perspective was recommended.

Angela White OBE

Angela White (AW) provided an update from the Voluntary Sector perspective.

AW said it was encouraging that there had been a gradual return to face to face engagement with vulnerable residents and that there was increasing contact across a range of organisations. She applauded the LCRCA grant funding to the sector through "Liverpool City Region Cares" and said that a lot of work was taking place to develop the voluntary offer and to launch a digital gateway. Finally AW referred to the launch of a new pilot on Corporate Social Responsibility.

Paul Corcoran

Paul Corcoran (PC) provided an insight from the perspective of the Digital Board.

Recruitment remained a major issue in the Digital Sector and a laser focus was needed on how to bring new faces and in particular women into the sector. There was a specific need to make the LCR an attractive place for potential staff to want to live and work and to establish a narrative that opened the door to a vibrant place to be.

PC referred to the Creative and Digital Board and to MP11 and he said that there was a need to map out where and what we could learn as an LCR and try to come up with a "North Star" and to discover and unveil the incredible potential of the LCR. A

focus on Investment and start-ups could add £10m to the local economy. He suggested a “Festival of Innovation” based around infrastructure, innovation and education and careers and he asked that attention be given to “scale ups”. The report would be provided to this Board

AH believed this was an ambitious idea to bring to fruition but it would be a massive Task to do so.

Mark Whitworth

Mark Whitworth (MW) outlined key issues from the Peel Ports perspective. He said that there was real momentum in re-establishing Liverpool as a point of significance and recovery post-pandemic had been exceptional and was getting stronger which was good for the region for jobs and the environment. The key message was that the Port wanted to be a good neighbour to residents and other businesses. Messaging was key in this respect and they sought to learn from other businesses in the City Region in any way they could.

MW said that more could be done environmentally and to be good neighbours. There were significant vacancies in the business and a big problem in recruiting those with the right skill sets in various roles. Around 150 vacancies existed.

Professor Jonathan Hague

Professor Hague (JH) provided an update on the FMTC sector.

JH explained the refreshing of the membership of the Innovation Board to increase its diversity and bring in new skills. With regard to Unilever there had been a global top-down re-organisation but this had no impact in the LCR. Inflationary pressures, particularly in the light of Ukraine were being felt across the sector. For Unilever operations in Ukraine had ceased and In Russia investment had stopped although production continued on a non-profit basis to ensure essential goods were still provided. This position was in the public domain.

Laura Pye

Laura Pye (LP) provided an update from the Visitor Economy sector.

LP advised of the positivity arising from the lifting of Covid restrictions and there was SIF money supporting both moving forward and bringing significant events back to the LCR. Less positively recruitment was still difficult and the anticipated return of the VAT rate to 20% in April would have a negative impact. The severe rising in energy costs would also add to the difficulties and it would increase prices and affect customers. Innovation would be used to try and reduce some of the impact.

The Tourism Awards being held this evening would focus on the positive and be upbeat about what had been achieved but the next twelve months would be problematic.

In response to a question from AH, LP said that hotel occupancy was mixed with around 80 – 85% in the City Centre at the weekend but 60% midweek. It was more challenging in Southport. One issue was that hotels locally were more expensive than they had been and did not compare favourably to London rates.

Mayor Joanne Anderson

Mayor Joanne Anderson (JA) provided her update and re-iterated the positive reporting of SR on the recent Convention of the North event. She also advised about the difficulties involved in setting the Liverpool City Council Budget for 2022/23 but how discretionary services had been maintained. She also reported progress in terms of LCRCA roles on Equality and Diversity, Employment and Skills and on Waste Services and she concluded by explaining about the impending visit to Cannes for the MIPIM 2022 Event in mid - March, the Bordeaux Taste Festival in May and the Liverpool Against Racism Festival for a full week in April.

Councillor Graham Morgan

Councillor Graham Morgan (GM) echoed the views of SR on Ukraine and he referred to the call being made by the Metro Mayor to the Merseyside Pension Fund to review the Fund with a view to removing any investment in Russian assets.

With regard to Knowsley, GM advised of the Covid Recovery Plan of the Borough as well as its Outbreak Prevention Plan

Asif Hamid

The Chair, Asif Hamid, provided his own update on recent activity.

AH said Skills remained a crucial issue while also very important was the effect of working from home on office space and upon high street footfall. He would circulate information on this.

The Russian invasion of Ukraine was reprehensible and would certainly impact upon business. He asked that all organisations be extra vigilant about the possibility of cyber-attacks, malicious software and ransom demands. This would be particularly important for SME's.

Tom O' Brien

Tom O'Brien expressed congratulations to all members for their continuing good work with particular reference to the work of both Mayors upon the Convention of the North and to Mayor Anderson on the impending Anti-Racism Festival.

501 LEVELLING UP WHITE PAPER AND FUTURE OF THE LEP

The Chair asked Mark Basnett (MB) to provide an update on the latest Government thinking on the role of LEPs and implications for LCR including how to retain and strengthen the strategic business insight provided by the wide range of LEP managed Advisory Boards.

MB set out progress with a presentation shared with the Board. The presentation showed the structure of the LEP bodies and how the LCR model was a Partnership with the LCRCA and its role was to provide insight and intelligence for the LCRCA but not to make formal decisions. On Levelling Up the Government was saying this was up to local determination and the LEP was to provide strategic advisory support and the suggestion was there would be a need for greater integration and a closer

working relationship. This was positive as the LEP here did already have that close relationship.

MB continued that there had been a lot of scrutiny of the LEP in recent years and it had been rigorously monitored and annually reviewed with a clear assurance framework and a high degree of transparency and openness. On this basis there should be confidence that the right mix was being achieved through the full Board and nine Advisory Boards and with close to 200 organisations participating it was able to reflect business views which could then inform the LCRCA decision making process.

The presentation showed the current vacancies in the LEP structure as it waited for clarification on the direction and role of LEPS from Government and it concluded with an assessment of the opportunities for the LCR including a possible new Enterprise Support Board, mentoring young people to encourage their involvement, filling the current vacancies, enhancing the Secretariat supporting the LEP and determining a refreshed structure. However, in the first instance the views of Government were awaited.

Mayor Anderson welcomed the outlined approach and she asked a question relating to performance as she cited that the LCR had some of the worst business growth rates in the country and why this was needed to be understood. She also referred to Business Scale Ups and to the Social Economy which she suggested needed more focus possibly with a specific Board that just addressed this area. JA agreed with the aspiration to bring in a younger coterie of people to become involved in the work of the LEP.

Professor Jon Hague indicated that he was very supportive of the direction of the LCR LEP although he asked for a review of the remits across the different areas in order to minimise overlaps and duplication of activity. Elaine Bowker supported greater equality and diversity and the inclusion of the young and asked about how recruitment took place and if it was open to all. Laura Pye expressed a concern about where resources were coming from.

MB agreed that resources were a concern although he had a sense from interaction with Government that some resources would be forthcoming for all LEPs but having an active agenda was critical. Also the prevailing view of the LEP was for open recruitment in line with the principle of openness and transparency referred to earlier. MB also thanked Mayor Anderson for her point on Social Economy and he concurred that it was an increasingly important area so there was a need to look at the mechanism to reflect this.

Mick Allen understood the funding concerns but he believed the LEP model of working in this City Region was exemplary and it should easily fit into the new way of thinking on LEPs. There would be a transition period but clarity on the future model and on funding should become clear soon.

Angela White supported the comments on Social Economy saying that the third sector was very important. The call for young people was also a good idea although she warned against this being “tokenism”. They would need support and should be encouraged to see the LEP as an interesting, important and exciting opportunity.

Tom O'Brien supported the direction and messaging as outlined. He talked of the need to build a pipeline and have greater flexibility and how the LEP could grow and go at a faster pace.

The Chair concluded that the review had been a slow process but that the collaborative approach taken by this LEP was exemplary. MB said it was an opportunity to make sure that the dialogue with the LCRCA continued to get better and that its influence and its suggestions were received in full and taken on board. PC added that there was a chance here to refresh what the LEP did and how it performed and behaved as a Board. He suggested an “Away Day” at some point to look at the model and to examine how to make it as efficient and effective as possible. AH asked that MB look at this suggestion.

502 SKILLS BRIEFING

The Board considered a Skills Briefing presentation provided by Rob Tabb (RT), Lead Officer on Employment and Skills, setting out the latest labour market intelligence and approaches to support businesses with their skills and talent needs.

The briefing commenced with RT saying that the overall position was better than it had been thought possible a year ago, although recruitment was not quite yet back to pre-pandemic levels and although improved the gap for minorities was still there. Mental health issues in particular were taking a long time to unwind. He asked for views on content and any omissions and he commended the success of the recent Skills Show which had around 5,500 attendees over two days with many young people present seeking opportunities and an understanding of the new skills that needed to be developed to meet employer demands.

AH said that Skills was a key topic and he had been extremely pleased with the success of the Skills event and its very positive feedback. It was the first step on the journey.

EB asked that “entry - level” opportunities not be confused with “low level” and there was a need for employers to “grow” their own talent and in particular to understand that Level 3 qualifications were of a high standard and they needed to be encouraged to think differently and provide opportunities for recruits with such qualifications. AH agreed and said that a lot of young people did not want to take the university route but were opting to go straight into business.

PC suggested that there was a real opportunity to support businesses making such recruitment decisions but support structures and training were vital. This was the chance for the LCRCA and the Growth Platform to come together and seek to improve the whole recruitment process locally. AH agreed and said that the conversation on this should be mapped out in order to increase employment levels. He asked that RB and EB in liaison with PC to co-ordinate this process.

PC also reminded the Board of the former “Common Purpose” group in the LCR and said that there was a need now to demonstrate the wealth of young talent in the LCR College system which should be brought in for development.

503 UPDATE OF CHAIR

The Board considered an update on issues from the Chair Asif Hamid.

AH commended the Convention of the North and praised the two Mayors for making it happen and for creating such positivity around it. He thanked Pete Sandman for his work for the LEP as he was leaving for another position, encouraged colleagues to

attend the impending Business Festival, expressed support for the visit to MIPIM to promote the LCR, advised of an important meeting on the Freeport with the Chancellor and also advised about an invitation to the Mansion House for a Dinner and discussion.

504 DATE OF NEXT MEETING

The next meeting would be held on 12 May and was likely to take place at a College location to be arranged by EB and MB. It was thought that more meetings would now be hosted by Members at their home locations as Covid restrictions eased.

The Chair thanked everyone for their attendance and he wished everyone attending the Tourism Awards a pleasant evening.

Minutes 498 to 504 received as a correct record on the 12th day of May 2022

Chairperson of the Board

(The meeting closed at 10.29 a.m)

TOPIC:	UK Shared Prosperity Fund (“UKSPF”)
DATE:	12 th May 2022
FAO:	LEP board
AUTHOR:	Raphael Miller, Jo Leek

1. PURPOSE

- 1.1 To provide a summary of the Combined Authority award for UKSPF and requirements for developing an Implementation Plan.

2. KEY HEADLINES

- The City Region will receive significantly less funding under UKSPF than under previous EU programmes which this replaces.
- There will be a gap between the end of some existing programmes and UKSPF funding being available and in any event it would not be possible to retain/replicate all such programmes
- Prior to receiving any funding the Combined Authority needs to submit an Investment Plan by 1 August.
- This Investment Plan needs to be consulted widely including – but not limited to – all City Region Members of Parliament.

3. BACKGROUND

- 3.1 LCR has been allocated £52.8m in UK SPF (which includes a Multiply component of £8.4m) for the funding period 2022-2025 (£17.6m per year). This overall allocation represents around £34 per head. Multiply is the Government programme for increasing adult numeracy/maths skills and is ‘top-sliced’ from the UKSPF allocation.

- 3.2 On an annual basis this represents

	2022/23	2023/24	2024/25
Award including Multiply	£8.1m	£14.2m	£30.4m
Award excluding Multiply	£6.8m	£11.9m	£25.6m

- 3.3 The funding is predominantly revenue (90% year 1, reducing to 80% year 3).

3.4 When compared to the funding received from European programmes between 2014 and 2020, we estimate that our UKSPF allocation represents a straight line annual decrease of £10.2m (37%) even when including Multiply.

	Funding period	Overall funding	Per year funding
Previous EU programmes			
2007-2013	2007-2015	£417m	£52m
2014-2020	2014-2023	£250m	£27.8m
UKSPF			
Including multiply	2022-2025	£52.7m	£17.6m
Excluding multiply	2022-2025	£44.4m	£14.8m

3.5 The headline figures on spend per year over the duration of the EU programmes are useful, but don't fully represent the scale of the loss of funding.

- The 2007-2013 programme could spend until 2015 – this is reflected in the low levels of delivery in the early years of the 2014-2020 programme.
- In recent years, LCR has received circa £18m in additional funds for ESF programmes due to a national underspend.

3.6 As a result it will not be possible to replicate in full existing programmes – even if this was the preferred approach.

4. INVESTMENT PRIORITIES

4.1 UKSPF has 3 Investment Priorities

- (i) Community and Place
- (ii) Supporting Local Businesses
- (iii) People and Skills

4.2 Funding under strands (i) and (ii) will be available as soon as the investment plan is approved, however, funding under (iii) will only be made available in 2024-25.

4.3 There will be a gap between the ending of existing programmes and commencement of UKSPF in respect of the 'people and skills' theme. Many of the CVS sector programmes have applied for an extension until the end of 2023, however, public sector delivered programmes are unable to apply for this. Work is underway to understand the financial impact of this.

4.4 The Combined Authority (as "Lead Authority") is invited to choose from a list of interventions for each of the different strands. These are listed in Appendix 1.

Although the guidance suggests that bespoke interventions will be considered, the rationale for this must evidence led and clearly in response to local need.

- 4.5 However the suggested interventions are broad and we suspect most, if not all, interventions to be considered will align with these.

5. INVESTMENT PLAN

- 5.1 Funding will only be released to the Combined Authority following approval of an Investment Plan.
- 5.2 The Investment Plan will need to be developed in conjunction with local stakeholders, focussing on
- Local context (evidence/opportunity/challenges)
 - Selection of outcomes and interventions (priorities linked to opportunities & challenges)
 - Delivery (i) delivery and governance; (ii) expenditure and deliverables and (iii) capability and resources
- 5.3 The Investment Plan needs to be submitted between 30 June and 1 August. It is anticipated the first investment plans will be approved by October 2022. Note this will only give 6 months to spend the first year's allocation.
- 5.4 We currently understand the Investment Plan may contain a mix of identified programmes to be delivered and areas for further investment, the specifics of which will be developed in due course.
- 5.5 Further detail of the anticipated content of the Investment Plan is set out in Appendix 3.

6. CONSULTATION

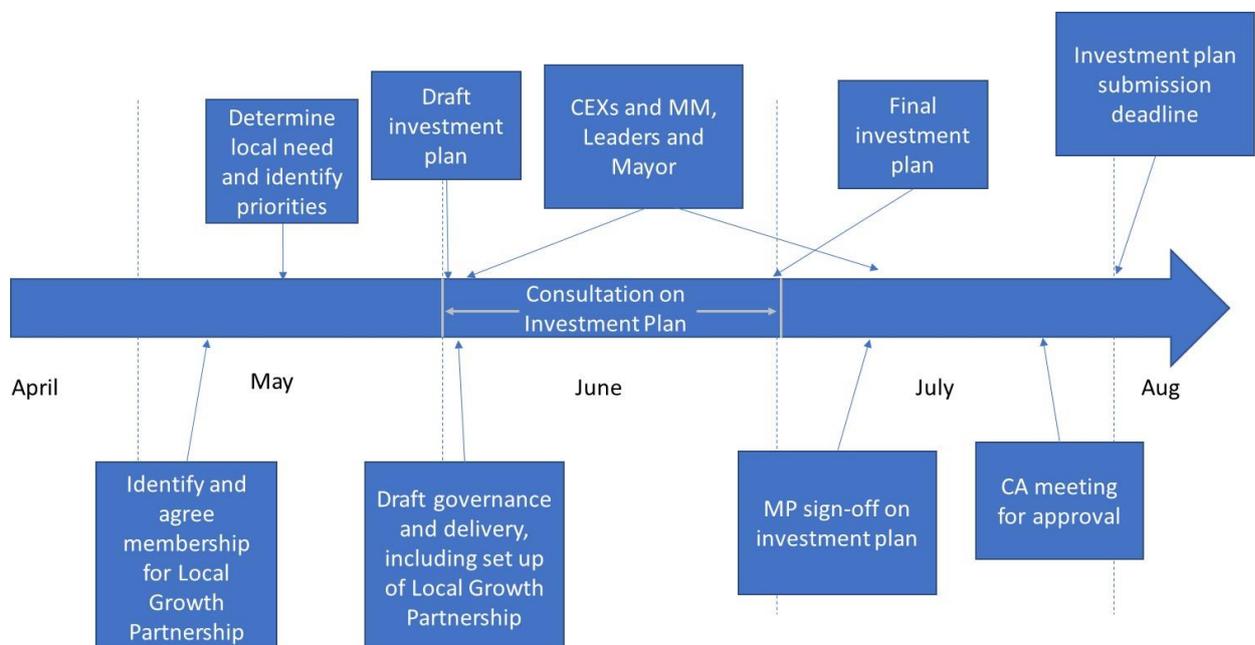
- 6.1 The Combined Authority is required to consult widely on the development of the Investment Plan through the development of a Local Growth Partnership. This is anticipated to be wide ranging. Whilst membership is for the CA to determine, government has suggested the types of organisations who should be represented. This is listed in Appendix 2.
- 6.2 In addition, there is a specific role for MPs. As well as being members of the Local Growth Partnership, MPs need to indicate their support for the Investment Plan, albeit the guidance notes "*Failure of one or more MPs to agree would not prevent consideration of the investment plan*".
- 6.3 MPs and Local Partnership Group are expected to have an on-going role in monitoring the implementation of the plan.

7. DELIVERY

- 7.1 There is flexibility in the delivery model of any proposed UKSPF investment, which can include
- grant to public or private organisations;
 - commissioning third party organisations;
 - procurement of service provision;
 - in-house provision.
- 7.2 The expectation is where grants are provided this should be through a competitive route such as a 'call' for projects.
- 7.3 The Combined Authority may retain up to 4% of the allocation for delivery costs.
- 7.4 There is no requirement for match funding for any investment, however, there is flexibility to add this as a requirement – such as if third party projects are supported. For comparison the 2014-2020 EU funding (£250m) attracted £213.3m of match funding across ESF and ERDF.

8. TIMELINE

- 8.1 The Combined Authority has developed a detailed action plan for delivery of the Implementation Plan, this is summarised in the timeline below. It is currently envisaged the Implementation Plan will be approved by the Combined Authority on the 22 July.



- 8.2 The detailed plan (subject to consultation) is set out in Appendix 4.
- 8.3 The key initial actions will be to:

- Determine membership of the Local Growth Partnership and approach to consultation;
- Develop priorities for Investment to form part of draft Investment Plan for consultation.

Appendix 1 – Investment Priorities

Priority 1: Communities and Place

Objectives:

Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities, such as community infrastructure and local green space, and community-led projects.

Building resilient, safe and healthy neighbourhoods, through investment in quality places that people want to live, work, play and learn in, through targeted improvements to the built environment and innovative approaches to crime prevention.

Interventions

E1: Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs.

E2: Funding for new, or improvements to existing, community and neighbourhood infrastructure projects including those that increase communities' resilience to natural hazards, such as flooding. This could cover capital spend and running costs.

E3: Creation of and improvements to local green spaces, community gardens, watercourses and embankments, along with incorporating natural features into wider public spaces.

E4: Enhanced support for existing cultural, historic and heritage institutions that make up the local cultural heritage offer.

E5: Design and management of the built and landscaped environment to 'design out crime'.

E6: Support for local arts, cultural, heritage and creative activities.

E7: Support for active travel enhancements in the local area.

E8: Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area.

E9: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places.

E10: Funding for local sports facilities, tournaments, teams and leagues; to bring people together.

E11: Investment in capacity building and infrastructure support for local civil society and community groups.

E12: Investment in community engagement schemes to support community involvement in decision making in local regeneration.

E13: Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change.

E14: Funding to support relevant feasibility studies.

E15: Investment and support for digital infrastructure for local community facilities.

Priority 2: Supporting Local Businesses

Objectives:

Creating jobs and boosting community cohesion, through investments that build on existing industries and institutions, and range from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.

Promoting networking and collaboration, through interventions that bring together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth.

Increasing private sector investment in growth-enhancing activities, through targeted support for small and medium-sized businesses to undertake new-to-firm innovation, adopt productivity-enhancing, energy efficient and low carbon technologies and techniques, and start or grow their exports.

Interventions

E16: Investment in open markets and improvements to town centre retail and service sector infrastructure, with wrap around support for small businesses.

E17: Funding for the development and promotion (both trade and consumer) of the visitor economy, such as local attractions, trails, tours and tourism products more generally.

E18: Supporting Made Smarter Adoption: Providing tailored expert advice, matched grants and leadership training to enable manufacturing SMEs to adopt industrial digital technology solutions including artificial intelligence; robotics and autonomous systems; additive manufacturing; industrial internet of things; virtual reality; data analytics. The support is proven to leverage high levels of private investment into technologies that drive growth, productivity, efficiency and resilience in manufacturing.

E19: Increasing investment in research and development at the local level. Investment to support the diffusion of innovation knowledge and activities. Support the commercialisation of ideas, encouraging collaboration and accelerating the path to market so that more ideas translate into industrial and commercial practices.

E20: Research and development grants supporting the development of innovative products and services.

E21: Funding for the development and support of appropriate innovation infrastructure at the local level.

E22: Investing in enterprise infrastructure and employment/innovation site development projects. This can help to unlock site development projects which will support growth in places.

E23: Strengthening local entrepreneurial ecosystems, and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.

E24: Funding for new and improvements to existing training hubs, business support offers, 'incubators' and 'accelerators' for local enterprise (including social enterprise) which can support entrepreneurs and start-ups through the early stages of development and growth by offering a combination of services including account management, advice, resources, training, coaching, mentorship and access to workspace.

E25: Grants to help places bid for and host international business events and conferences that support wider local growth sectors.

E26: Support for growing the local social economy, including community businesses, cooperatives and social enterprises.

E27: Funding to develop angel investor networks nationwide.

Priority 3: People and Skills

Objectives:

Boosting core skills and support adults to progress in work, by targeting adults with no or low level qualifications and skills in maths, and upskill the working population, yielding personal and societal economic impact, and by encouraging innovative approaches to reducing adult learning barriers.

Reducing levels of economic inactivity through investment in bespoke intensive life and employment support tailored to local need. Investment should facilitate the join-up of mainstream provision and local services within an area for participants, through the use of one-to-one keyworker support, improving employment outcomes for specific cohorts who face labour market barriers.

Expected cohorts include, but are not limited to people aged over 50, people with a disability and health condition, women, people from an ethnic minority, young people not in education, employment or training and people with multiple complex needs (homeless, care leavers, ex/ offenders, people with substance abuse problems and victims of domestic violence).

Supporting people furthest from the labour market to overcome barriers to work by providing cohesive, locally tailored support, including access to basic skills.

Supporting local areas to fund gaps in local skills provision to support people to progress in work, and supplement local adult skills provision e.g. by providing additional volumes; delivering provision through wider range of routes or enabling more intensive/innovative provision, both qualification based and non-qualification based. This should be supplementary to provision available through national employment and skills programmes.

8.4 Interventions

8.5 Supporting economically inactive people to overcome barriers to work by providing cohesive, locally tailored support including access to basic skills

E33: Employment support for economically inactive people: Intensive and wrap-around one-to-one support to move people closer towards mainstream provision and employment, supplemented by additional and/or specialist life and basic skills (digital, English, maths (through Multiply) and ESOL) support where there are local provision gaps.

Supporting people furthest from the labour market through access to basic skills

E34: Courses including basic skills (digital, English, maths (via Multiply) and ESOL), and life skills and career skills provision for people who are unable to access training through the adult education budget or wrap around support detailed above. Supplemented by financial support for learners to enrol onto courses and complete qualifications.

E35: Activities such as enrichment and volunteering to improve opportunities and promote wellbeing.

E36: Intervention to increase levels of digital inclusion, with a focus on essential digital skills, communicating the benefits of getting (safely) online, and in-community support to provide users with the confidence and trust to stay online.

Skills to progress in work and to fund local skills needs

E37: Tailored support to help people in employment, who are not supported by mainstream provision to address barriers to accessing education and training courses. This includes supporting the retention of groups who are likely to leave the labour market early.

E38: Support for local areas to fund local skills needs. This includes technical and vocational qualifications and courses up to level 2 and training for vocational licences relevant to local area needs and high-value qualifications where there is a need for additional skills capacity that is not being met through other provision.

E39: Green skills courses targeted around ensuring we have the skilled workforce to achieve the government's net zero and wider environmental ambitions.

E40: Retraining support for those in high carbon sectors.

E41: Funding to support local digital skills.

Appendix 2 – Membership of Local Partnership Group

Suggested membership of Local Partnership Group per UKSPF guidelines.

- Representatives from the lead local authority (this may also include neighbouring authorities or constituent authorities where relevant and to maximise alignment)
- Local businesses and investors (large employers and small and medium sized employers)
- Business support providers or representatives, including sectoral representatives relevant to the place (for example – cluster bodies, tourism organisations)
- Local partnership boards and strategic bodies where relevant (for example, Local Enterprise Partnerships or Local Skills Improvement Partnerships)
- Regional representatives of arms-length bodies of government where appropriate
- Prominent local community & faith organisations
- Voluntary, sector social enterprise and civil society organisations, including Third Sector Interface Groups in Scotland
- Rural representatives unless there are no rural communities within the area
- Education and skills providers – for example higher education institutions and further education colleges, adult learning providers
- Employment experts and providers – for example Jobcentre Plus representatives and employment related service providers
- Nature, environmental or associated representatives
- Public health representatives
- Police and crime representatives (such as Police and Crime Commissioners where relevant)
- Members of Parliament

Appendix 3 - Investment Plan Requirements

Section	Description
Local challenges and opportunities	<ul style="list-style-type: none"> - Identify any challenges or opportunities we intent to support - Determine which UKSPF priorities these align with <p>Section is broken down into the three separate strands; Communities and Place, Supporting Local Business and People and Skills</p>
Interventions	<ul style="list-style-type: none"> - Interventions chosen for each year of funding - Which outcomes we want to deliver - Any bespoke interventions (needs to be a strong rationale and strategic alignment for these) - How these interventions fit with UKSPF priorities and rationale for them <p>Need to include logic models or theory of change to support this section. We're also asked to select the outcomes we want to deliver. Detail any projects that have already been identified under each strand. Subsidy control assessment is also required in each section</p>
Approach to delivery and governance	<ul style="list-style-type: none"> - Structures in place to support delivery - Support you have from stakeholders and the local community (Need to demonstrate how we have engaged with public, private and civil society organisations) - Provide outline of the governance structures that have been put in place (including advisory panels and associated partnership groups) - How we've engaged MP's as part of our investment plan (all must be invited to join the LPG, need to inform if any MPs are not supportive and provide details of who and reasons why) - Detail any selection processes for projects that we might use other than competition funding with rationale - Opportunities we have identified to work with other places (detail the interventions we intend to collaborate on and who with) - Public sector equality duty, (detail how this has been considered as part of the design of the investment plan and also how we will consider when implementing the plan and selection projects) - Risks (focus on delivery and fraud risks, must also detail contingency measures in place to mitigate)
Capacity and capability	<ul style="list-style-type: none"> - Capacity and capability of the team to manage funding (focus on management of growth funds, procurement and subsidies, delivery of interventions across the

	<p>three strands)</p> <ul style="list-style-type: none"> - Resources in place for work related to UKSPF (how many FTE to work with UKSPF funding and description of the roles, including seniority and experience) <p>Section will not be used to determine amount of funding but will help gov understand how to support with the delivery of funding</p>
Approvals	<p>Approval required from;</p> <ul style="list-style-type: none"> - Chief Executive Officer - Section 151 Officer - Leader of the lead Authority
Additional documents	<ul style="list-style-type: none"> - UKSPF Expenditure Profile spreadsheet - UKSPF Indicative Deliverable spreadsheet <p>Both spreadsheets must be uploads to the Sharepoint ahead of the submission of the investment plan</p>



LEP Board Meeting

12th May 2022

LEP Review and Transition

Author:

Mark Basnett
Managing Director
Liverpool City Region LEP

1. Purpose of Report

- 1.1 The purpose of this report is to update Board members on the implications for Liverpool City Region of the Government's completion of the LEP Review and the process under way to effect its recommendations and requirements with colleagues in the Combined Authority against a backdrop of reduced funding from Government.
- 1.2 The Government seeks greater integration of LEPs with Mayoral Combined Authorities and requires a Transition Plan to be submitted to Government for approval by 29 July 2022.
- 1.3 This report proposes a process of information gathering and due diligence by Combined Authority colleagues on the executive roles, funding and structures within the Growth Company (Growth Platform) that currently support the LEP functions and an options appraisal on integration. This will inform a jointly prepared analysis on how the role of business intelligence, insight and advice into City Region strategy and Delivery can be built upon and strengthened against the backdrop of this review.
- 1.4 This analysis and proposed way forward will then be shared for consultation and development with LEP Board, Local Authorities and business, over the next 2 months, prior to final approval by the Combined Authority at its meeting on 22 July 2022.

2. Recommendations

- 2.1 Board Members are asked to note the detail of the report and endorse the process under way to propose effective integration of the LEP with the Combined Authority and determine the future role and structure of the LEP Main Board, Sub Boards and Executive to best support the inclusive and sustainable growth of the City Region economy.
- 2.2 Board Members are asked to note that they will have opportunity for further input over the coming weeks and to discuss and agree the proposed approach at the LEP Board on 7 July 2022.

3. Current Position

- 3.1 The UK Government announced a review of Local Enterprise Partnerships across England in 2021 as part of a wider large scale Whitehall review which culminated in the publication of the Levelling Up White Paper (LUWP) in January 2022.
- 3.2 The LUWP recognised the important role LEPs had played in providing business insight and intelligence into economic growth decision making. It particularly recognised the value of the LEP role in Mayoral Combined Authorities in providing strategic advisory support to CAs and LAs and proposed closer working, strengthening and integration of LEPs and CAs. It advised that LEPs and CAs would be contacted in due course on what this would mean in practice.
- 3.3 Government formally wrote to LEPs and Combined Authorities on 31st March 2022 setting out how they wished to see the role of LEPs evolve across the country over the coming years.
- 3.4 For LEPs in regions with Mayoral Combined Authorities (such as Liverpool City Region), Government set out a timetable for plans for greater integration to be submitted to them by 29 July 2022 by the Combined Authority, for determination by Government by end of September 2022. Once approved, the Transition Business Plan will release £375,000 in funding to CAs to 2022/3 to implement the transition. No commitment to future funding was provided by Government although we understand this is being considered. Government was not directive in how integration should be achieved, leaving each area to propose how they thought it should operate according to local conditions and arrangements. They have appointed an account manager to support the process in each area. For Liverpool City Region this is Mick

Allen from BEIS locally who is well known to the LEP Board and sits on the Board for Government.

- 3.5 The current LEP arrangements in Liverpool City Region are seen as exemplary by Government as it provides the basis of mature, constructive and insightful partnership working and brings the insight of the private sector to local economic strategy and delivery, whilst respecting the democratic mandate of locally elected leaders and Mayors. Its impact in informing and shaping policy interventions to benefit the economy is extensive and, by way of example, much of the City Region's innovation and high growth priorities in the likes of health and digital manufacturing priorities and effective interventions in recent years can be directly attributed to the excellent work of the sector boards.
- 3.6 The LEP and Combined Authority are already closely aligned and partly integrated. The CA is the Accountable Body for the LEP. The LEP (and its company, Growth Platform) has shared the 12th floor at Mann Island with the Combined Authority since 2017 and shares the same legal personality. The LEP and Combined Authority jointly established Liverpool City Region Growth Company (Growth Platform) in 2019 to simplify and strengthen the City Region's Business Support Ecosystem, delivering Trade, Investment, Business Growth, Careers Hub and Sector Development services. This is also the entity through which LEP Funds have been administered and where staff who support LEP functions including the Boards are employed and as such is material to this Review.
- 3.7 The Review thus provides an opportunity for the Combined Authority, LEP and their many constituent partners and stakeholders, not least Local Authorities, business and other institutions in the City Region, to consider how the current arrangements can be refined and improved to meet the challenges and opportunities faced by our economy over the coming years – both in terms of strategy and delivery.
- 3.8 It is also an opportunity to put the proven benefits of business insight and intelligence to inform strategy and delivery of business-related economic interventions onto an even stronger more sustainable footing, determined and controlled at a local level.
- 3.9 In Autumn 2021, the LEP Board considered and supported the principles it would like to see adopted to do just this and these are set out below:
- Relevance: The structure, what it focuses on and what it ultimately helps to deliver, must be real, right and relevant. It must involve the appropriate people and focus on the issues that matter and make a difference for business and for the community. It must measure, monitor and report on impact and additionality – working with and through LA and CA partners.
 - Independence: The independence of the Boards and Chairs, to be able to speak truth to power and be seen as independent is critical. It will provide authenticity within a context of partnership working and respect for the perspectives and priorities of a wide range of organisations. In essence – an “Aligned Independence” in a structure that ensures all voices are heard – diverse and representative of the community it serves.
 - Simplicity: It must be easy for business to engage with and input to development of strategy and to the public sector; It must be easy to get access to the business support they need for their growth and sustainability in a simplified and strengthened business support ecosystem. There needs to be clarity as to the remit of LCR Boards and how they should interact to avoid duplication and ensure alignment.
 - Sustainability: The LEP Review has demonstrated the vulnerability of the existing structures to Government decisions outside local control. We should establish a locally sustainable model, built on locally sourced and controlled resources, that can be enhanced by Government funds where appropriate to the needs of the economy but not be dependent upon them
- 3.10 This, however, must be achieved against the backdrop of reduced and uncertain future Government funding for this activity. The key to deliver this will be to ensure focus of resource

on those areas of business most significant to policy priorities and capable on delivering the most tangible, positive impact on sustainable, inclusive City Region economic growth.

4. Transition Plan Development and Consultation

4.1 In order to prepare the draft Transition Plan for consultation, LEP and Combined Authority executives (including Mark Basnett, Jill Coule, Kirsty McLean and Aileen Jones) have formed a working group, with other colleagues drafted in as required. Its first action was to initiate a due diligence process by CA colleagues to clarify the roles, salaries and funding sources of all staff across Growth Platform, including those funded by LEP funding, given how integrated LEP roles are with those of Growth Platform. This exercise commenced on 27 April 2022 and will provide a clear evidence base on which to inform the Plan process.

4.2 There is a range of significant considerations to be factored into this analysis, given the interconnectedness of the LEP, CA and the Growth Company. In addition, the time frame is challenging. These include:

- Review of LEP/Business Boards, their membership, structure, engagement with the CA and servicing to ensure even greater inclusivity, better integration with CA and a sharper focus on the City Region's economic priorities and delivering the most positive impact on those areas
- Review of LEP related roles and services and where they continue, whether these can be efficiently integrated into the Combined Authority or should remain within the Growth Company.
- Reduction in LEP Core funding from £500k to £375 k for 2022/3 and no guarantee of future funding beyond this year.
- Whether to maintain the identity of the LEP within revised arrangements (LEPs will continue as separate entities in areas without Combined Authorities or similar devolved local arrangements)
- The future role, resourcing, sustainability, and governance of the Growth Company to further strengthen and simplify the City Region's Business Support Ecosystem – and its role related to Boards and Sectors.
- Maintaining the backing of the c 65 key businesses and institutions across the City Region who currently as "Growth Partners" provide over £500k of voluntary funding towards running of the Growth Company for the benefit of the City Region.

4.3 Given the scope of these issues, an extensive and rigorous development and consultation exercise is required. The proposed timetable for preparing and consulting on this is as follows:

29 July	Transition Plan submitted to Government
22 July	Final Transition Plan approved by Combined Authority Board
8 July	Draft Transition Plan approved by LA CEXs
7 July	Draft Transition Plan approved by LEP Board
21-28 June	Draft Transition Plan consulted with LA Growth Directors
21-28 June	Draft Transition consulted with LEP Sub Boards etc
17 June	Draft Transition Plan prepared
3 June	Options Appraisal Completed
20 May	Due Diligence Completed

- 4.4 The timetable set by Government does provide an option for delay of submission to January 2023 but in order to provide greater clarity on future arrangements and to implement these as soon as practicably possible it is proposed that the 29 July deadline is observed.

5. Next Steps

- 5.1 The Review provides an opportunity to reappraise and rethink how we ensure the insight of businesses and institutions across the City Region is most effectively hard wired into economic strategy development and delivery over the coming years. To do this needs the perspectives of the key public and private sector contributors both through and outside the LEP structure. The process outlined above aims to ensure this is achieved.
- 5.2 And whilst its right that this review takes place, it is important to keep in mind that the Liverpool City Region arrangements between LEP and CA have been considered exemplary by Government, so there is a great deal that has been done right and on which to build.
- 5.3 The LEP Board and sub-boards and other private sector stakeholders will be thoroughly consulted for individual and collective input during this process over the coming weeks and the active engagement and input of Board Members will be invaluable through this process.

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