

## **LIVERPOOL CITY REGION LOCAL ENTERPRISE PARTNERSHIP**

At a meeting of the Liverpool City Region Local Enterprise Partnership held remotely on Thursday, 17th November 2022 the following Members were

### **PRESENT:**

Asif Hamid MBE - Chairperson of the Board in the Chair.  
Paul Corcoran – Deputy Chair  
Melinda Acutt  
Elaine Bowker  
Tom O'Brien  
Laura Pye  
Metro Mayor Steve Rotheram  
Mark Whitworth

### **ALSO IN ATTENDANCE:**

Mick Allen - BEIS  
Mark Basnett – Managing Director LCR LEP  
Mark Bourgeois - Strategic Director for City Development, LCC  
Dr Aileen Jones – Executive Director LCRCA  
Rachael Patterson – Future Impact Board  
Ste Tant – BEIS  
Shelley Lockett – Growth Platform  
Linda Pye - Democratic Services, LCRCA

### **APOLOGIES:**

Apologies for absence were received from Mayor Joanne Anderson, Dame Professor Janet Beer, Dr Jonathan Hague, Angela White OBE, Councillor Janette Williamson

## **514 Welcome and Declarations of Interests**

The Chair, Asif Hamid MBE welcomed everyone to the meeting.

There were no declarations of interest received.

The Chair asked Mark Basnett, Managing Director of the LEP to report any apologies received. Mark Basnett advised that apologies had been received from Mayor Joanne Anderson, Professor Dame Janet Beer, Dr Jonathan Hague, Angela White OBE and Councillor Janette Williamson.

## **515 Minutes and Matters arising from the previous meeting**

The minutes of the Board Meeting held on 12 May 2022 were agreed as a true and correct record.

Tom O'Brien provided an update on positive progress in one or two areas of the Freeport programme. One was in relation to the full business case which was part of the dialogue with the Treasury and the Department of Levelling Up. £25m had been confirmed at the penultimate stage and the final stage would be relatively straightforward.

In terms of on the ground Freeport had two big drivers one was the key business sites where companies and investors who located there would get tax benefits. The other was custom sites where logistics operators could get customs benefits. There was a great pipeline across the city region area and most local authorities had at least one potential custom site operator. There were two which were very advanced and one in particular was in St. Helens which had just had another inspection.

Innovation and net zero was also part of the Freeport and it was keen to play a role in the Metro Mayor's overall ambitions in that space. The idea was to get more freight off of the roads onto rail and getting it off traditional petrol and diesel powered trucks onto hydrogen powered trucks as a pilot. This was something that had not been done before in the UK. He felt that this would be a great scheme and although funding for this had not been secured as yet money was potentially available, and routes were still being explored with central agencies to secure that. He stated that this was something that would not happen in the immediate future but hopefully it would come to fruition in the next year or so which would really raise our Freeport above others.

He also advised that the team had won an award at the Merseyside Maritime Awards which was about local groups celebrating success in the area. Freeport had won the best newcomer award.

Mark Basnett noted that most of the matters arising from the last meeting would be covered off during the discussion of items on the agenda apart from the UK Shared Prosperity Fund and he invited Aileen Jones to give a brief update on that.

Aileen Jones confirmed that a paper had been taken to the last Combined Authority meeting to start to mobilise the Shared Prosperity Fund given the tight deadlines of the first year of spend which was £5.2m by the end of March this year. In light of the cost of living crisis it had been possible to target some of that funding into supporting and helping some of the most vulnerable residents with financial support and advice.

Funding had also been allocated to local authorities under the theme of place and communities to start to plan the delivery of measures that were focused on creating green places and communities. Work was also taking place on the second priority around business support and how to best target the allocation of £11m. The third priority was around people and skills and work was ongoing with stakeholders as to how best that could be targeted when that money landed in 2024.

The Investment Plan set out the continued challenges in the City Region in terms of worklessness and the inactive population and the importance of the Ways to Work programmes in relation to that priority.

## 516 **Business Priorities in Economic Headwinds**

The Chair, Asif Hamid MBE, invited Board Members to provide a brief update on the current position within their sector.

The Deputy Chair, Paul Corcoran provided an update on the Creative and Digital Board. In particular:

- This month had been interesting in terms of convening the scaling up of businesses within the creative, digital and tech sector across the city region.
- It was noted that Mayor Steve Rotherham had attended an event that had been co-hosted by Form and Growth Platform which had brought together some of the region's fastest growing creative, digital and tech businesses. The key themes coming out of that were the importance of convening and bringing people together within the sector, the role of the Growth Platform in communicating what was going on within the sector together with the opportunities that the sector provided and the importance of communicating externally about what opportunities the creative, digital and tech sector had, not only in the City Region, but those businesses that might want to look at relocating here.
- A session had been held with the Creative and Digital Board in terms of exploring what the Board wanted moving forward. Planning for 2023 and beyond would look at three distinct areas – People, Place and Investment.
  - **People** - looking at unlocking opportunities so that people within the sector could develop and draw on the talent that it needed to grow. It was felt that access to oven ready talent was really important. Other areas for consideration included clearer and more attractive programmes for upskilling and reskilling, how to develop skills alongside industry partners and educational organisations, how to encourage greater collaboration in that space, how to booster diversity within the creative and digital sector, how to encourage more people to come in that might not have been attracted into the sector before such as older people, females or people from different ethnic minorities, how to make it much more attractive, how to accelerate the growth of technical talent and start to get skills future proofed so that they were oven ready.
  - **Place** – how to make LCR a better place to start and grow a creative, digital and tech business. It had been really important to focus on this aspect over the last couple of years but it was now about how to position LCR as a thriving hub of industry, how to better utilise marketing and comms and bringing together all of those various partners to make sure that Liverpool was being seen as a great place to start and grow a business. Then also how to start to invest in digital leadership within the CA and that was about looking at not just infrastructure and policy but also investment and skills and how to really start to articulate that business case and lobby for the alignment of key sectors in city region decision making. How to make sure that there were key people to go to in order to drive the place based agenda in terms of creating digital and tech.
  - **Investment** – how to increase investment and funding into the digital, creative and tech sector which was about joining up inward investment with native businesses, how to exploit supply chain opportunities, how to bring people together to showcase and celebrate the good stuff that was happening within the city region, how to bring back on line the work that Growth Platform had done around the digital sublet. It was about convening

and bringing people together to showcase opportunities and chances to work together and that tied into the investment networks within the city. How to identify investment and funding opportunities and how to improve the language around those and make them attractive to businesses who might not have been down that pathway before. There was some good work going on but how to make it more attractive to this sector, how to identify sub-sectors and differentiators for the city region, how to support clusters more broadly as an attractor and how to make it part of the Inward Investment Strategy.

The Chair, Asif Hamid MBE, asked if each speaker could give an update on the challenges in the economy and how it was proposed to deal with that and what it was felt could be done a little bit differently.

Mark Whitworth provided an update to the Board, in particular:

- In terms of the economic backdrop he stated that ports tended to be a good barometer of the economy and provided a very early warning of what was likely to come. Stockpiles of materials such as cars would be seen much earlier prior to being consumed. There were clearly some signs of a slowing economy across a number of sectors, particularly around construction, where the decline was sharper than had been seen for some time. The world's largest shipping lines, such as MSC, were forecasting a 20% reduction year on year for this quarter.
- There was some good news in that despite some of the challenges that had been seen recently Liverpool appeared to be bucking the trend and in that it had a growing market share and there was still a strong pipeline of opportunities and investors wanting to invest in Liverpool due to its proximity in the UK. He thought there was good reason to be optimistic about the medium term with many investors planning to invest within the port infrastructure. There were still a number of schemes in the pipeline but there was a bit of hesitancy around progressing to current timetables.
- In summary there did not seem to be a rapid fall off and it was important to note that as a nation 95% of all that was consumed was imported and therefore the strong ports such as Liverpool would always do well. He advised that he had recently attended an event led by the LEP and had been asked by several Members about the Industrial Relation situation. The good news was that this matter had now been resolved and work was being undertaken to try to get to a position where there was some stability for the medium term. Felixstowe had had similar strike action and there were multiple international ports going through the same situation. It was hoped that business as usual would be resumed and the journey would be to build on the success which had already been made.

The Chair, Asif Hamid MBE, asked how he was finding the labour market in terms of recruitment. Mark Whitworth responded that Liverpool did have one of the most modern port facilities in the world. The highly skilled automation roles were really difficult to fill despite some of the recent press and the fact that our average salaries

were well above regional and national averages. In terms of the less skilled roles there was no difficulty in filling those but what was being seen in areas like IT and finance, and in a modern port IT featured significantly, those roles were really difficult to recruit to. That pool of capable individuals was reducing all of the time as those roles could become national or international due to the fact that people could work from home. This was an issue that had been recognised and work was starting to look very carefully at how investment could be tailored around employees and skills over the course of the coming years because this was being seen as an increasing problem.

Elaine Bowker provided an update in relation to the Further Education Sector as follows:

- At the moment unemployment was very high and the referral numbers from Job Centre Plus were the lowest that had been seen and were almost drying up. However, the good news was that nearly every one of the students were in their first choice job or place in terms of next steps.
- In terms of sectors a real boom in construction was being seen which was a little bit different to what Mark Whitworth had said. There had been a lot of uptake in terms of apprenticeships in that area. Health and social care were desperate for people, but people were not desperate to go into health and social care so there seemed to be a huge mismatch in that sector. There was a lot of great work going on in digital and there were good partnerships. However, one of the biggest issues in digital was that the students were so capable that they were being offered jobs which was great but that meant they would leave sometimes without their qualifications. She felt that in a way that was good news as they obviously had the skills that employers required. There was big growth in science, technology and engineering sectors and a lot of partnerships were being forged with employers in those areas.
- She stressed that the biggest issue was around the race for talent for a lot of employers. Over the last four months she had found it a major problem to attract teachers and lecturers. At the same time there was an economic crisis and the strikes which had taken place in her college would continue because the inflation rates could not be met. A recent fiscal study noted that adult rates were now 50% less than what they had been 18 years ago, and young people rates were 11% less than they were in 2010. However, she felt that the relationship between skills, the college and employers had never been better, but the talent issue was a major problem that would not go away. She had got a talented team in hospitality and catering but the numbers this year were the lowest that had ever been seen in the college. So she concluded that there were some real mismatches in the economy.

Mark Whitworth clarified his comment in that the port tended to see trends very early. He confirmed that he had a role in his local college as well which also reflected the points that Elaine Bowker had made. However, early indications from the port were in relation to a market slowdown.

Laura Pye provided the Board with an update on the visitor economy sector as follows:

- She pointed out that this was the 11<sup>th</sup> Secretary of State in 12 years and also the 11<sup>th</sup> Tourism Minister in 12 years and that level of uncertainty was quite a big factor. Across the UK the visitor economy sector and visitor attraction sector numbers were down about 25% from 2019 and that also seemed to be the case in Liverpool.
- From a cultural point of view the Arts Council had announced their National Portfolio Organisations a couple of weeks ago. Liverpool City Region had been quite successful and had got our first NPO's in Knowsley, Sefton, Halton and the Wirral which was fantastic news. Two had been lost across the city region but overall most people had stood still or increased their cultural funding. She mentioned that the City Council had just announced budget cuts to the cultural sector which would impact on Liverpool and the City Region's cultural infrastructure.
- In terms of tourism overall in the UK tourism was down about 28% but what was really interesting was the split around that. Tourism from North America was only down about 5% in the UK, but it was tourism from Asia which was down 99% and that would be felt in the city region. In some respects the weak pound helped from a tourism point of view, but the cost of living crisis continued to have an impact. Decreased patronage was already being seen in bars, restaurants and visitor attractions. It was felt that this would be a real issue in January when the cost of living crisis would bite following the Christmas period.
- Energy was also a huge issue particularly for any attraction with a building and she could not see how that would be sustainable for anyone. That would hit the visitor economy sector really hard, and it posed more of a risk financially for businesses than Covid had ever done.
- In terms of the skills point she said that people were not going into the hospitality sector because it looked uncertain. Brexit had meant that the influx of European workers was not available now. She agreed that the skills issue which Elaine Bowker had referred to was really biting now and would only get worse in the next six months.

Melinda Acutt provided an update from the 'Clean Growth' perspective as follows:

It was noted that there had been a huge amount of activity in terms of the net zero space particularly with COP27 making an annual review point and reflection point for activity in this area. Key themes which were coming out of that was the need for collaboration particularly with reduced funding and therefore there was a real need to work together and collaborate across the North West in order to maximise the available funding. Secondly, it had been a real delight to see that net zero was becoming core activity in mainstream messaging. The Clean Growth Board had teamed up with the Innovation Board and set up a sub-task group in order to identify further specific activities in supporting the innovation and inward investment

agenda. The aim was to see commitment to a target percentage for clean growth inward investment.

The general business feeling that had been picked up from national market research was that there were real continued ongoing worries in the domestic sector around cost pressures and there was negativity and frustration around general infrastructure services such as the inability to get a GP appointment, unreliable train services and a real constraint on people being able to do things. Some of that fatalism was also creeping into the business sector particularly those relying on central government policy decisions. Normally business people were dynamic and positive in seeing opportunities. That was a national issue and not specifically for the Liverpool city region. This meant that businesses were focusing on their core offering and there was less ability to provide the 'nice to haves'.

In the net zero space the clear strategy and high level messaging was that it was important to have direction and clear messaging and therefore it would be good to see the next steps in the delivery plan for the clean growth agenda which would set out the actions required. Some specific targets would be sought for inward investment.

Further collaboration and working together across the North West was key in this environment but it would be necessary to work together more widely in the lower funding environment.

Finally, given the ongoing cost pressures, combining savings for businesses and energy costs was essential. Combining savings with reduced carbon was also key and it would need to pay for itself. Businesses wanted to do the right thing in terms of net zero and it had been identified as an important issue. However, businesses did not always have the necessary capital so support for self-energy generation was needed. It was noted that the domestic solar energy scheme had been successful and she felt that it would be helpful if this could also be rolled out to businesses as it would support them and boost the local supply chain for net zero.

Rachael Patterson provided an update as follows:

- One of the things that had been brought to her attention was as a result of the cost of living increases a lot of young people were now seeking more higher paid jobs and consequently talent in the lower level jobs was being lost to Manchester because they were paying more. It had been noticed that young people were wanting their employers to help them through this but they were not getting the support they needed particularly in the early stage career.
- On a more positive note the voice of young people was starting to become present. At the Innovate UK launch last week it was noted that there was not enough young representation but there had been some so it was moving in the right direction. She had also received feedback that there had been a couple of recent events where it had been noted that the voice of the next generation needed to be at the table, so she felt that some headway was being made in terms of that narrative. The Future Impact Board was keen to look at marketing Liverpool as a city for young professionals to come and thrive in their career.

The infrastructure to do that was in place but it just needed to be marketed better. What tended to happen, especially with the younger generation, was that they would stay in a job for a maximum of three years before they looked to move on, and businesses were constantly training talent to then lose it. She thought that businesses could do with some support in that area. It was a positive that headway was being made and things were starting to change but there was a worry that some of that talent would be lost.

The Chair, Asif Hamid MBE, advised that one thing that was being looked at was having more of a voice on our Boards from the younger generation. It was hoped that was something that would be picked up in some of the discussions in January but he asked if there were any other areas Board members could help with then please reach out to bridge that gap.

Mark Bourgeois provided an update as follows:

- He confirmed that he was five months into the role of Strategic Director for City Development but also very much a part of a really hard working and committed Corporate Management Team at Liverpool City Council.
- He echoed how tough it was at the moment and he referred to homelessness numbers and demands on services that had identified a budget deficit for LCC of £73m next year. Savings of around £40m from ASC and Health and £18m from Children and Young People would be required. The ASC and Health savings, which included homelessness, related to around 20-25% of the entire budget so there would be some real challenges as to how those savings could be met. However, some really interesting work was being undertaken to look across the Directorates and to think about different ways of tackling homelessness to achieve savings. It was a real challenge, but the general feeling was that with some hard work this was achievable. It was a tough budget challenge but there was commitment across the Council to really make some changes around neighbourhoods and how those adult and children's services could be offered.
- He echoed the point made in relation to the jobs market and Liverpool City Council was looking to fill some senior posts rather than filling on an interim basis. The authority was looking at different pools of talent to encourage people to come to Liverpool to fill those positions as it was a great place to live and work.
- In terms of the projects it was noted that Hemisphere had received planning permission last week and there was certainly investor interest in the principle of Liverpool as a place to invest in relation to the knowledge economy. Liverpool with its brand in the UK was a relatively attractive place and it was necessary to bear that in mind when thinking about how to attract inward investment and the far greater challenges.
- Commercially development was very tough due to rising construction costs combined with challenges on rents which made viability tough. Cash Plus was an example of an innovative occupier coming into the region.



- In terms of homelessness and housing generally which was the bedrock to providing a stable housing sector and giving people a range of housing choices. He referred to the work being done on Stonebridge Cross and Festival Gardens and the fact that interest from both investors and developers in looking at those sites was very strong which was encouraging to address the housing challenges.
- Key for business support was planning and how it was managed in the city. The Planning Team received a lot of challenging criticism but one indicator of the work which was being done to improve the planning service was the number of planning decisions. 11 months into the year the number was just under 3,100 which was 26% ahead of the entire total of the previous year. Therefore decisions were being made in the planning system which was a positive indicator.
- He summarised that notwithstanding the challenges there were continued positive indicators which would hopefully encourage investors into the city.

The Chair, Asif Hamid MBE, added that Cash Plus had been in the City Region for the last five years. They had moved to The Spine because as part of the growth trajectory three alternative locations had been considered. He stated that when a business started it was a small nucleus and it was important to spend time and effort managing that to get it to the right level. A big international corporation would not locate here from day one and therefore it was necessary to start to grow some of those smaller opportunities and to nurture them. It was necessary to look at banking institutions and financial tech companies and how to attract them into the area.

The Metro Mayor, Steve Rotheram, provided an update as follows:

- He stated that Brexit had had negative economic consequences which had been predicted but the Government had not done anything to help. Some further flexibilities had been requested in relation to some of the pots of money which would have helped with the job issues that were currently being experienced. It was noted that our unemployment rate was still slightly higher than the national average at 5.1-5.2% but vacancies were outstripping the number of people who were claiming benefits. This created a real issue and work was being undertaken with DWP in respect of putting in place some flexibilities to get people into the job market. As had been mentioned previously the country had had numerous Secretaries of State over the past 12 years and relationships were just being built with people and then they left and it was necessary to start all over again.
- In respect of the Autumn Statement it was not expected that anything positive would come out of it but it was hoped that some of the negative things would not be too detrimental to the Liverpool City Region. The Combined Authority was aware of the need to spend the allocations of funding that had previously been granted due to the fact that Government was looking at delays in spending and the possibility that they might be looking at claw backs which had never

happened before in the City Region. The Combined Authority had always spent the money that it had been allocated and would continue to do so.

- Like everyone else some vacancies were being carried in the Combined Authority but conversely that was helping in trying to tackle some of the structural budget issues.
- The visitor economy was not as buoyant as it had been which meant that there were less people travelling around the City Region which had an impact on the ability to raise funding for public transport.
- On a positive note Liverpool City Region had recently been identified by Innovate UK as one of two in the whole country which would be a launchpad area and which would immediately bring up to £15m of grants for companies in the Liverpool City Region provided they could demonstrate innovation.
- He referred to the recent Heseltine event and afterwards there had been a dinner and one of the key things arising from that was about communications. He felt that it was really essential that there was a consistent comms message. Liverpool was much more resilient in a post-Brexit and post-pandemic world than it was after the riots in the 1980's. There was a lot of positive news and if some of that was concentrated on then it might be better placed to attract that inward investment. Digital connectivity was key as no-one else was doing that and it would provide a world class advantage and it was necessary to capitalise on that. It was also essential to optimise on the fourth industrial revolution and the greener revolution could happen here and it would be necessary to position ourselves to take advantage of that. The Antarctic Survey was currently in the Liverpool City Region and they were making boreholes to see if it was possible to get geothermal energy. If that could be achieved alongside everything else there was no-one else who could touch us on renewable energy. He summarised that there was a lot of positive work going on and the general direction of travel for the whole City Region was a positive one.

Mark Bourgeois mentioned that last night at the ICNA conference the award winning LCR Digital Connect Project had been voted the best public sector initiative.

The Metro Mayor confirmed that he had opened the conference and 350 people had chosen to come to Liverpool. St. George's Hall was a great backdrop and they had been very impressed with what Liverpool were doing. It was a great achievement as no-one else in the country were doing what we were doing and at the scale that we were doing it and these were leaders in that particular technology.

## 517 **LEP and Business Board Restructure Discussion**

This item had been withdrawn from the agenda and a more detailed report would be brought back to the Board in January 2023. It was requested that 50 minutes should be allocated for this item on the agenda in order that a more detailed discussion could take place.

Mark Basnett, Managing Director of the LCR LEP provided a presentation which updated the Board on supporting the Inward Investment Service.

He agreed with what the Metro Mayor had said in that Liverpool was not the same place as it had been in the 1980's as the suite of products and capabilities we had now were unparalleled. It was an outstanding destination for visitors and some of the assets we had were quite remarkable and were globally competitive.

Mark Basnett stated that an Inward Investment Service for the City Region had been established in 2020 to deliver the Metro Mayor's vision for a One Front Door approach for inward investment. It got the funding formally signed off in October 2021 and Invest Liverpool City Region investment branding had been established together with website materials, lead generation campaigns looking at particularly those outstanding strengths around life sciences, advanced manufacturing and digital/creative and renewables. The structure that had been created was very much one of a public/private partnership as it was necessary to get back to talking with one voice. The Investment Board was represented by all six local authorities, the Combined Authority, DIT and the Growth Company and the private sector had also been brought in to make sure it was commercially credible. All of the materials being developed were all built on input from the local authorities, DIT and more critically from the businesses themselves in that space.

The next slide showed the marketing collateral toolkit that had been put together which included sector brochures, factsheets, infographics and sector videos.

The reason for the establishment of the Inward Investment Service was the fragmented nature of inward investment but also historically in 2020 Liverpool City Region had only landed around 1.5% of all UK projects. It had been in the lower quartile of performance as a City Region and the aim was to be in the upper quartile. Since then some significant strides had been made and the weak performance prior to 2020 reflected the challenges of driving that forward. Since inception the Investment Service had worked on and supported 67 inward investment projects predominantly in target growth sectors. The projects that had been worked on in the last couple of years were mainly in the key sectors which were important for our growth and attracting high quality jobs such as digital and creative, health and life sciences and advanced manufacturing.

The current activity was trying to build a global intermediary network. There was a targeted approach in place to identify companies that were mobile, and who had investment and growth aspirations internationally and work was being undertaken with those businesses directly in collaboration with commercial and local authority partners through market intelligence, events and conferences. Work was also ongoing with intermediaries and we had joined a global intermediary network of US and European advisors particularly in the built environment space around real estate and a major event would be taking place in early 2023 for the regional and national intermediary network to showcase some of the great things that the City Region had to offer. The focus in terms of campaigns had been around vaccine development. Status had been secured with the UK Government as the UK's

leading location for vaccine discovery, development and manufacture. We had partnered with DIT at the World Vaccine Congress in Barcelona and had developed a whole host of interesting leads from that. There were a number of other ongoing projects such as Cash+ and there was a strong investment pipeline in place as well.

Looking forward there was a whole host of further opportunities. For example, there was the World Vaccine Congress in Washington in March 2023 which we would be attending as a lot of our target business was growing in this space.

One of the main challenges was that the current funding for inward investment would expire in June 2023. It had been part funded by Gainshare funding, by SIF and also a little bit of ERDF and work was ongoing with colleagues in the Combined Authority and the private sector as to how this could be funded going forward. That conversation would need to be broadened out to all the local authority partners. A conversation was required at a senior strategic level about our ambition, where we wanted to be and what resources would be required. It was necessary to make sure that this was part of an ecosystem approach that looked at what needed to be developed, the current assets and where the development opportunities were. It would be necessary to ensure that it was embedded in the Plan for Prosperity across the City Region in order to meet our strategic ambitions but to also work with local businesses as it was not just about bringing in new business but it also about working with existing ecosystems and strengthening them. This was an opportunity to take a frontal role with those businesses and to really look at how that opportunity could be used together with a change in the market place in order to work with developers and local authorities to make sure that the right facilities were in place going forward.

In terms of what was next it was felt that inward investment had a vital role to play in the City Region. It had been mentioned that it should be used to attract young professionals and it was recognised that not enough was being done in that space with the resources available. It would be necessary to make use of the funding that was available and to align the promotional marketing and communications, and the regeneration in this part of inward investment whilst ensuring that the right product was in place as that would bring forward inward investment. There was a framework and platform in place and all the local authorities and commercial partners were involved. It was a new approach, and it would be necessary to build on that to make sure it was embedded as there was a possibility that it might provide a revenue stream in the future.

Mark Basnett summarised that there was a big piece of work required which needed to be discussed through this board and with other partners as to how this work could be taken forward over the course of the next few months. Clarity was required in terms of what would happen in June 2023 as at the moment there was no resource allocated to continue that inward investment work.

Mark Bourgeois commented that clearly business support was being provided across the region and he had asked the team at LCC to produce a mind map as to how they saw business support around Liverpool and it was quite complicated. He thought it would be helpful as a starting point to put together that mind map of how

business support was working across the city region as it would be a useful starting point for this board to look at that and to think about the route forward for providing a more cohesive entry point and also from an efficiency perspective it might well be a better route in terms of the restrained budgets. Mark Basnett responded that that would be a perfect opening into the following item on the review of business support and investment that had partly been commissioned to tackle that problem. There were many players and it was trying to bring all of that together to speak with a single voice but that was being done with very constrained resources. It was about trying to do it well with the available resources but there was a willingness to find efficiencies where possible.

Rachael Patterson noted that a few opportunities had been identified that the City Region could support. She stated that a conversation was taking place at the moment in respect of Mippin and whether as young professionals that should be supported or not. There did not seem to be an awareness of those opportunities and therefore she would welcome a conversation as to whether it was possible to be more involved and tied in to that side of the inward investment. In respect of the Knowledge Quarter they would also potentially be looking at the American market and she asked if they could be joined in on that. Mark Basnett replied that all of the proposed campaign activity had been taken through the Health and Life Sciences Board which the Knowledge Quarter sat on and there was a standing open invitation for everybody throughout the cluster to participate in that. In terms of that model of getting businesses to participate and to champion he felt that it was so much more compelling to have businesses who lived in the City Region to talk about what they did and what was working. He was therefore keen to keep putting businesses at the front. He also offered an invitation to collaborate on the US market which was currently being developed.

Paul Corcoran referred to the Metro Mayor's manifesto of having One Front Door that everybody really bought into and which Growth Platform had been born out of. From a small business perspective the ambition of One Front Door and Growth Platform was really attractive as it made it easy to know where to go for business support and inward investment opportunities. He therefore asked if it was possible to make sure that it was as easy as possible and to have the right support behind that door. At the moment politics was playing a massive part in this and what that then meant was that the right people were not necessarily doing the right jobs. It was necessary to look at whether they were going to be the right suppliers to see our businesses through these troubling times and whether they would encourage businesses to come into the region as there were limited resources. It needed to be really easy for people to access the right support and the support had to be right. This was an ideal opportunity to shake it up. Now was the opportunity to use what Growth Platform was there to do to actually bring in operators who were going to make an impact and it really was the opportunity to go back to basics and think who was in that supply chain and make it easy for businesses to do what was being asked of them - to grow. Mark Basnett felt that it was necessary to take some actions away but in many respects a lot of the issues which had been raised about being joined up and getting the right players on board would be looked at as part of the work that the Combined Authority had commissioned. It would therefore be sensible and timely to ask Aileen Jones to talk to that next item taking on board the comments that had been made.

519 **Business Support Policy Framework and Review Commission**

Aileen Jones, Executive Director Investment and Delivery, presented a report on the Business Support Policy Framework, taking into account some of the comments that had been made around the business support landscape, the complexity of it and the potential for duplication given that complexity, maximising the good suppliers in that business support ecosystem given that resources were limited and that had been the focus of the Business Support Commission.

In terms of the Business Support Framework it reflected over twelve months of engagement with stakeholders across the business support landscape to better understand the business base in the Liverpool City Region, the challenges and opportunities to begin to reshape and design a more coherent business ecosystem and some of the complexities and duplications. The Business Support Framework had been developed and had been driven by the imminent loss of European Regional Development Funds which had co-funded significant parts of the business delivery and infrastructure and the launch of the UK Shared Prosperity Fund. The Combined Authority's Evidence, Intelligence and Research team had undertaken an extensive consultation exercise, they had developed the evidence base and had consulted Growth Platform, local authorities and more broadly stakeholders in the City Region.

The framework set out explicit design principles, a segmentation of City Region businesses, a core list of elements which all business support should deliver and a framework of outputs, outcomes and impact indicators. This framework fed into the Business Support Commission and provided the basis for reshaping our business support system which needed to be both place based at a local authority level and specialist city region based and delivery. Critical to this model would be the proactive collaboration that was already in place, and which would enable the City Region to deploy its resources in a smarter way, more efficiently and to support the fairer, innovative and inclusive economy which was set out in the Plan for Prosperity. She advised that the framework would be going to the Combined Authority for final approval.

In respect of the Business Support and Inward Investment Commission it was felt that there was a real need to map, review and enhance the business support delivery infrastructure in the City Region. It was felt to be an opportune moment to look at it given that the Business Support Policy Framework had been developed, the termination of ERDF funds would happen in 2023, the UK Shared Prosperity Fund would come forward as a successor and further cuts were expected in Growth Hub core funding so it seemed to be an opportune moment to look at the business support environment in the City Region together with inward investment. The focus of the Commission was in two key areas. It was mapping and gapping - looking at what was currently available, where the gaps in the business support ecosystem in the City Region were and it would also look at the supply and demand side of the business support landscape through consultation with key stakeholders. The second area of focus was making recommendations about the optimal business support structure going forward, drawing on best practice from other cities and internationally and considering the fact that resources were limited and the level of

duplication that was already happening. A process had been run and SQW had been appointed to lead the review. It was thought that it would be really helpful to have an independent perspective to look at both business support and inward investment. Critical would be the consultation which would be carried out with the LEP Board and wider stakeholders. The consultations would begin in the next couple of weeks. In terms of next steps the consultation process would be starting shortly, emerging findings would be drafted in January and a report would be brought forward in February.

Paul Corcoran asked where SQW was based. Aileen Jones confirmed that the company was based in Stockport but some of the people who were leading the review lived in the Liverpool City Region. Paul Corcoran felt that it was important what was being done in this space as there was a lot of insight already within the Board and he advocated the need to make more use of those sector boards to shape this work. He would be really keen to make sure that they were getting a chance to be able to shape the business support landscape going forward and to be really bold in this space. He queried whether the reviewer would come back with insight or would they shape what the future programme looked and felt like. Aileen Jones confirmed that they would help to shape the future programme. It was about looking at what was already there, what was working, what was not working effectively and looking across the landscape to see what could be learnt from elsewhere in the UK and internationally in terms of our business support. She agreed that this was timely and it was a real opportunity to have a look at this and to maximise and be bold and ambitious in our approach.

Paul Corcoran asked what the plan was in terms of the engagement. His fear was that inevitably the key point was about making sure that the finite resources would be used for the best possible impact. There was a lot of work to be done in this space and a lot of people would be clamouring for access to these funds to continue the work that they had been doing. He queried what 'impact' really meant because arguably it could mean lots of different things and how to ensure that all these things were being seen through a proper business lens and he therefore argued the case for the use of Growth Platform partners to play a key role to make sure that the solutions that were coming out were absolutely correct. His fear was that you would end up with the same business planning sessions and confidence development workshops that had had the same impact as had been the case for years and which had been minimal. This was an opportunity to make sure that the services that were being provided to the people who needed it most was absolutely right and to challenge the brief so that the suppliers were making sure that this experience was positive.

Aileen Jones responded picked up on two points around the engagement with stakeholders and the impact point. In terms of the engagement with stakeholders there was a steering group meeting next week to set out how the engagement would be undertaken. She took the point about the importance of engagement with sector boards and drawing on all that experience and expertise as part of that process. In terms of impact she agreed that a lot of the evaluations from the European funding were not available as the funding had not yet ended but that was a really critical aspect in understanding what outcomes and outputs had been delivered and that they were delivering impact for us. In an environment where our

finances were more constricted it would not be possible to continue to fund the same thing and expect to get a different result in terms of business support and inward investment. She thought it would be necessary to look really critically at what was achieving the impacts from a business support perspective and look at the evaluations of those programmes and what they had delivered and using that to inform and better target what was very limited business support funding under the UK Shared Prosperity Fund.

Melinda Acutt endorsed what Paul Corcoran had said about impact. Her comments were in respect of Appendix 3 and she felt that the impact indicators needed to be bolder. It was necessary to take a step back to think about what was the point of supporting businesses, what was the point of the business growth - it was to improve the quality of life and wellbeing in the area. She thought that when thinking about the outcomes and impacts not all jobs were the same and therefore it would be necessary to think much more innovatively around the impact indicators in order to ensure that if the aim was to deliver those impact indicators then that would feed back into the types of activities that could then be incentivised in the programme.

The Chair, Asif Hamid MBE, noted the powerful messages that were coming through from the Board about the engagement piece and he thought that was one of the key barometers. He endorsed that the people sitting on these boards should be utilised to try and add value.

Mark Basnett also endorsed what had been said. The local authority partners and the Combined Authority were very focused on this as were business support providers because funding had been a key part of their business model. Unless the businesses were put at the centre of this in terms of what worked for them and what would make an impact. That had to be the principle focus of this and it was necessary to make sure that that consultation really got to the heart of what businesses believed would make a difference to them but it was also around those high growth businesses which could and should be the future of the City Region.

The Chair, Asif Hamid MBE, asked if communication channels could be kept open on this as it was really important. He asked if Aileen Jones could keep the Board updated in order that members of the Board could feedback outside of the meeting if necessary.

## 520 **Chair's Update**

The Chair, Asif Hamid MBE, thanked all for attending the meeting as it was a pivotal time for the LEP Board in terms of what was going on locally and nationally. He stated that a meeting had taken place with Leaders yesterday to look at what the vision and the mission was for the North. There was a lot of things happening across the region and he would try and touch base with the Board members individually over the next couple of weeks to update them personally as to what the plans were.



521 **Any Other Business**

Mark Basnett noted that Professor Dame Janet Beer had given her apologies for this meeting which was effectively her last Board meeting. She was leaving and would be replaced by the new VC who was really keen to be involved with this Board. A meeting had been arranged with him for early January to discuss his work. He was very much focused on research and development and working with businesses so that would be very positive from an economic perspective for the City Region. Mark Basnett just wanted to put on record his thanks from the Executive and all of the Board for the fantastic support that Janet had provided throughout her tenure on the Board, and he wished her all the best for the future.

*(The meeting concluded at 10.18am)*