

Lancashire Enterprise Partnership Limited

Tuesday, 7th September, 2021 to be held as a Virtual Zoom Meeting, at 4.30 pm

Agenda

Part I (Items Publicly Available)

- 1. Welcome and Apologies for Absence**
- 2. Declarations of Interest**
- 3. Minutes of the meeting held on 22 June 21 (Pages 1 - 10)**
- 4. Pennine Linear Park Presentation**
- 5. Governance and Committees Report (Pages 11 - 16)**
- 6. LEP - COP 26 - Annual Climate Change Conference - Glasgow (Pages 17 - 24)**
- 7. Lancashire Local Enterprise Partnership Economic Outlook Update (Pages 25 - 42)**
- 8. Skills Policy and Careers Hub Update (Pages 43 - 52)**
- 9. The Role of European Structural Investment Funds in promoting Economic Development Activity in Lancashire (Pages 53 - 60)**
- 10. LEP - Programmes Update Report (Pages 61 - 128)**

Please note that Appendix 'J' to this report is in Part II and appears as Item 14 on the Agenda.

- 11. Any Other Business**
- 12. Date of Next Meeting**

The next meeting of the LEP Board will be held on Tuesday 23 November 2021, at 4.30pm. Venue to be confirmed.

13. Exclusion of the Press and Public

The Board is asked to consider whether, under Section 100A(4) of the Local Government Act 1972, it considers that the public should be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 12A to the Local Government Act 1972 as indicated against the heading to the item.

Part II (Items that are Private and Confidential)

- 14. Programmes Update Report - Appendix J Inward Investment** (Pages 129 - 134)
- 15. Samlesbury Enterprise Zone Update** (Pages 135 - 150)
- 16. Growing Places Report - Heap Developments Ltd** (Pages 151 - 158)

Agenda Item 3

Lancashire Enterprise Partnership Limited

Minutes of the Meeting held on Tuesday 22 June 2021 at 4.30pm as a Zoom Virtual Meeting

Present

David Taylor (Chair)
County Councillor Aidy Riggott
Councillor Alyson Barnes
Amanda Melton
Andrew Pettinger
Ann Jordan
Annette Weekes
Claire Whelan
David Holmes
Ivan Taylor
Kam Kothia
Miranda Barker
Phil Riley
Councillor Stephen Atkinson

In Attendance

Andy Walker, Head of Service Business Growth, Lancashire County Council
Angie Ridgwell, Section 151 Officer, Chief Executive and Director of Resources, Lancashire County Council
Anne-Marie Parkinson, Programme Manager, Lancashire Enterprise Partnership
Hannah Race, Democratic Services Officer, Lancashire County Council
Debbie Francis, newly appointed Board Director and Chair, Lancashire Enterprise Partnership
Laura Sales, Company Secretary and Director of Corporate Services, Lancashire County Council
Lisa Moizer, Business Growth Coordinator, Lancashire Skills and Employment Hub
Misbah Mahmood, Senior Democratic Services Officer, Lancashire County Council
Neil Jack, Chief Executive, Blackpool Council
Neil Shaw, Chief Executive, Rossendale Borough Council
Paul Faulkner, Local Democracy Reporter and Journalist
Phil Green, Director of Growth, Environment and Planning, Lancashire County Council
Sarah Kemp, Chief Executive Officer, Lancashire Enterprise Partnership
Stephen Young, Executive Director of Growth, Environment, Transport and Community Services, Lancashire County Council
Sue Roberts, LEP Commercial and Business Support Manager

Part I

1. Welcome and Apologies for Absence

The Chair welcomed everyone to the meeting and in particular welcomed Debbie Francis, newly appointed Board Director, and successful candidate in the process to recruit a new Chair of the Lancashire Enterprise Partnership.

Apologies were received from Mark Rawstron, Mick Gornall, Tony Attard, Murryam Anwar, Katherine O'Connor and Paul Evans.

2. Minutes of the Board meeting held on 23 March 2021

Resolved: That the minutes of the Lancashire Enterprise Partnership (LEP) Board meeting held on 23 March 2021 be approved as an accurate record, subject to the following amendments:

3. Matters Arising

David Taylor, Chair, LEP advised Board Members that bimonthly sessions had been ongoing for some time and had been well attended.

5. Town Fund Blackpool

There was now a 12-month period to prepare the business cases, appraise the projects and get them started. Details of each of the 7 projects were provided to Board Members.

3. Matters Arising

Sarah Kemp, LEP Chief Executive, informed the Board that the recruitment process to appoint a new Chair of the LEP Board had been completed and that Debbie Francis had been identified as the best candidate for the role.

Following that, the Company Members were in the process of approving, by written resolution, that Debbie be appointed a Director of the LEP. It was noted that the Company Members' decision had been confirmed but had been delayed slightly by the administrative process.

Resolved: That, subject to final approval by the Company Members to appoint Debbie Francis as a LEP Director and be appointed to the role of Chair of the LEP Board.

4. Declarations of Interest

It was noted that Miranda Barker had a non-pecuniary interest in item 14 and that Councillor Stephen Atkinson had a non-pecuniary interest in item 17 and would exit the meeting at the appropriate time.

5. Governance and Committees Report

Misbah Mahmood, Senior Democratic Services Officer, Lancashire County Council presented a report which provided an update on LEP Governance and the LEP committee meetings since the last LEP Board meeting.

It was highlighted that, following the County Council Elections in May 2021, County Councillor Michael Green would no longer represent the county council on the LEP Board. County Councillor Aidy Riggott was the county council's new representative and, subject to Board approval, would sit on the LEP Board, the City Deal Executive Committee, and the Enterprise Zone Governance Committee.

It was noted that the Transport for Lancashire Committee had not met for a significant amount of time and was no longer required.

Resolved: That

- i) The updates provided in the report in relation to Governance, urgent decisions taken since the last LEP Board meeting, and the decisions taken by committees of the LEP be approved;
- ii) The appointment of County Councillor Aidy Riggott to the LEP Board, the City Deal Executive Committee, as nominated by the county council's leader and the Enterprise Zone Governance Committee be approved;
- iii) The appointment of Liz Tapner, CEO of Social Enterprise Lancashire Network (SELNET), and Damian Waters, Regional Director of CBI North West, to the Business Support Management Board be approved;
- iv) The updated Terms of Reference for the Business Support Management Board, as presented, be approved; and
- v) The dissolution of the Transport for Lancashire Committee be approved.

6. Business Support Performance Overview of 20/21

Andy Walker, Head of Service Business Growth, Lancashire County Council presented a report which provided the Board with a summary of the delivery and performance of publicly funded business support activities which attracted central government funding.

It was highlighted that:

- The report, which formed the basis of an annual report to BEIS to demonstrate how funding had been used during the previous financial year, had already been approved by the LEP's Business Support Management Board.
- BEIS' contribution to Lancashire's Growth Hub, Boost, under grant fund Agreement to the LEP, was usually circa £350,000 per year. However, as a result of the unprecedented challenges faced by Lancashire's businesses during 2020-21, Boost had received additional grants for Covid-19 activity, additional grants for the monitoring and reporting on the impact of Brexit, and a further £1.1m in ERDF Covid-19 grants. £450,000 had also been received to run Peer to Peer networks, a BEIS support measure which had been accelerated in response to the pandemic.
- In 2020-21, the Growth Hub had dealt with twice as many businesses as it would in a typical year. It had generally provided more specific advice to smaller businesses and directed businesses to local support measures for the pandemic; and
- The Peer to Peer Business Support Groups had been hugely successful over the last year. Lancashire had the largest Peer to Peer cohort in the country and a 97% satisfaction record.

Resolved: That the Business Support Performance Overview, as presented, be noted.

7. Finance Out-turn Report 2020-21

Sarah Kemp, LEP Chief Executive, presented a report summarising the LEP's operating outturn budget for 2020-21.

It was highlighted that savings had been made in several areas during the financial year and that additional income had been received that was not originally forecast. It was noted that the reserves position had decreased from £2.474m at the start of the year to £2.175m.

In response to a question, it was clarified that the medium-term financial forecast had been noted by the Board at its meeting on 23 March 2021. The budget approved by the Board had included a detailed budget for year 1 (2021-22) and an outlook for years 2 and 3. The LEP's three-year budget to be brought to the Board in March of each year.

Resolved: That the LEP's 2020-21 outturn, as presented, be noted.

8. Greater Lancashire Plan

Phil Green, Director of Growth, Environment and Planning, Lancashire County Council gave a presentation to provide the Board with an update on progress made with the Greater Lancashire Plan (GLP).

The following points were highlighted:

- The GLP would set out the overall vision and strategy for Lancashire and provide a policy framework for all future plans and policies. It would be based on existing research, recent work carried out with Paul Scully MP, and a number of commissions, all of which would ensure the GLP was based on robust, independently tested evidence.
- The various workstreams would be overseen by an Independent Panel of experts who, based on the evidence collected and analysed, would offer insight and advice to local leaders to inform the GLP.
- Metro-Dynamics had been commissioned to carry out an Independent Economic Review, which would provide an economic evidence base and investigate a range of sectors, including internationalisation in partnership with the LEP and OCO Consulting. The Independent Economic Review was intended to provide a thorough and holistic view of Lancashire's economy.
- The Environment Commission comprised four key pieces of work and would be carried out by two partners, Jacobs and Atkins.
- The timing of the GLP's workstreams was intended to align with the Government's White Paper on Levelling Up, however it was currently unclear how soon the White Paper would be published; and
- The prestige, credibility and networks of the Independent Panel members were intended to serve Lancashire and encourage agreement. It was hoped that, following

the Independent Panel's recommendations to leaders, the GLP would be published in early 2022.

In response to questions from the Board, the following points were clarified:

- The Independent Panel recognised Lancashire's rural context and the nature of its subregional economy, which differed from economies with cities at their centres. Lancashire's geography had already been captured by the research carried out so far.
- A plan of the scale and nature of the GLP would benefit from widespread consultation and agreement. It was for local leaders to determine how to agree and implement the GLP, but the more stakeholders driving it the better.
- The GLP's commission on public sector reform, which would complement the Independent Economic Review and the Environment Commission, was on hold until the Government's White Paper on levelling up, devolution and subregional economies had been published.
- The LEP's Sector Groups would be helpful to gather research and evidence to identify the economic opportunities in Lancashire, for example to supply the global decarbonisation effort.
- The GLP would allow Lancashire to set out an agenda and priorities to address the county's regional differences and skills shortages, and to engage Government in serious conversations about areas and sectors that had been overlooked; and
- Some of reports produced, particularly in relation to health, education and early years, would provide tough reading, which was to be expected from independent reports. These reports would identify the challenges facing different parts of Lancashire.

Board members noted that it would be important to measure the outputs of funding received and for the GLP to serve all areas of Lancashire.

The Chair highlighted that once the GLP was completed, the LEP and its partners needed to advertise the opportunities within, and unique selling points of, Lancashire. There were a range of projects across the county that the LEP could support.

Resolved: That the update on progress made with the Greater Lancashire Plan be noted.

9. Programmes Finance Update Report

Sarah Kemp, LEP Chief Executive, presented a report which provided the Board with finance updates for each of the LEP programmes.

Particular attention was drawn to the section of the report on Enterprise Zones, which detailed the LEP's repayment of the infrastructure costs, now confirmed as £21.07m, of the Salmesbury site, a differential due to inflation and cost uncertainty. In September 2014, the LEP Board approved an envelope of infrastructure costs estimated at £18.5m which had been met by the county council through PWLB, to be repaid by the LEP using the business rate uplift which is to be collected by the LEP. More information confirming the

position on outstanding capital debt, interest owed and business rates collected over the years would be provided to the Enterprise Zone Governance Committee and the LEP Board in due course.

In response to a question about the repayment of business rates for the Salmesbury and Warton Enterprise Zones, it was agreed that County Councillor Riggott and Sarah Kemp would discuss a point of difference between the LEP report and a county council report taken to Cabinet in recent weeks separately.

Special thanks were given to Joanne Ainsworth, Principal Accountant, Lancashire County Council who played a key role in producing the finance updates.

Resolved: That the finance updates presented in the report be noted.

10. Any Other Business

Miranda Barker raised a point on behalf of the Advanced Manufacturing Research Centre (AMRC) Steering Committee, asking the LEP Board to positively support the committee's request for complete control of the recruitment and employment of staff who would be running locally-based projects.

The Board was informed that the current set-up gave Sheffield University control over this process and was holding back the proper delivery of the AMRC's projects in the North West. Whilst the AMRC was successfully wielding funding opportunities for the benefit of Lancashire, this change would help to reap the maximum benefit from projects for the Lancashire economic community.

The Chair expressed a willingness to lead the LEP's response, making use of his contacts to support more devolved powers for the AMRC in the North West.

It was noted that conversations needed to be had via the appropriate channels in order to articulate the LEP's requests. It was agreed that the Chair, Miranda Barker and David Holmes would arrange a meeting with the Commercial Director of AMRC North West to initiate conversation.

11. Date of Next Meeting

The Chair recommended that, although the venues of future Board meetings were currently unknown, the LEP Board should meet at different venues around the county when face-to-face meetings were possible again.

Resolved: That

- i) The date of the next LEP Board meeting, Tuesday 7 September 2021 at 4.30pm, be noted; and
- ii) The revised 2021-22 programme of Board meetings, as presented, be approved.

12. Exclusion of the Press and Public

Resolved: That the meeting move into Part II, Private and Confidential, to consider the remaining agenda items as they contained information defined as confidential or exempt in accordance with the relevant paragraph in Part I to schedule 12A to the Local Government Act 1972.

It was considered that in all the circumstances the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

Part II

13. Programmes Finance Update Report

Sarah Kemp, LEP Chief Executive, presented a private and confidential report which provided the Board with further finance updates for each of the LEP programmes.

Special thanks were given to Sarah Parry, City Deal Programme Manager, Lancashire County Council for her work on the report.

Resolved: That the finance updates presented in the report be noted.

14. BEIS Growth Hub Funding 2021-22

Andy Walker, Head of Service Business Growth, Lancashire County Council presented a private and confidential report which detailed a request for the use of BEIS Growth HUB funding for Lancashire for 2021-22.

Resolved: That the recommendations set out in report, as follows, be approved:

- i) To endorse the proposed allocations of BEIS LEP grant funding for 2021-22 for Boost in respect of its Core Funding and for Peer Networks, as set out in the report; and
- ii) To approve receipt of the grant funds and proposed budget.

15. Continuation of the Lancashire Careers Hub and Enterprise Adviser Network

Lisa Moizer, Business Growth Coordinator, Lancashire Skills and Employment Hub presented a private and confidential report which provided an update on the funding opportunities available which would enable the continuation and expansion of the Enterprise Adviser Network and Careers Hub pilots.

Resolved: That the recommendations set out in the report, as follows, be approved:

- i) Acceptance of the grant funding offer (c. £540,000) received from the Careers and Enterprise Company for the Lancashire Careers Hub and Enterprise Adviser Network, subject to review of the final grant offer and associated terms and conditions by the Chief Executive and Section 151 Officer and that the associated contract with Inspira is extended;

- ii) Acceptance of grant funding for the Careers and Enterprise Company research and evaluation projects, should they be successful, subject to review of the grant offers and associated terms and conditions by the Chief Executive and Section 151 Officer and any related procurement considerations; and
- iii) Acceptance of the grant funding from the Blackpool Opportunity Area Twinning Funds (c. £55,000) to enable further joint activity between Blackpool and Lancashire to share good practice, and continue to build the approach with localised employer networks, subject to review of the final grant offer and associated terms and conditions by the Chief Executive and Section 151 Officer.

16. Growing Places Report – Fleetwood FRP Ltd

Sue Roberts, LEP Commercial and Business Support Manager, presented a private and confidential report which detailed the Fleetwood FRP Ltd request for a Growing Places Loan.

It was noted that comments from Mark Rawstron, LEP Director, would be passed on and that a more detailed paper would be presented to the LEP Board for approval following negotiations.

Resolved: That the recommendations set out in the report, as follows, be approved:

- i) To consider the Fleetwood FRP Ltd request for a Growing Places Loan of £2,450,000 for two and a half years (30 months) at an interest rate of 4.5% over base subject to due diligence;
- ii) To approve the LEP Chief Executive entering into discussions regarding Heads of Terms with the developer and in consultation with the Accountable Body and Section 151 Officer; and
- iii) To bring the Heads of Terms to the LEP Board for approval.

17. Growing Places Reports – ETC Urban Extension to Loan Period

Sue Roberts, LEP Commercial and Business Support Manager, presented a private and confidential report which detailed the request from ETC Urban for the LEP to extend its loan period.

Resolved: That the recommendations set out in the report, as follows, be approved:

- i) An extension to the loan period with a review in 9 months and the option to extend for a further 3 months; and
- ii) A reduction of 0.25% in the interest rate, now due within the terms of contract from 6.5% to 6.25%.

Before the meeting closed, the Board thanked Ann Jordan and the team involved in the process to recruit the new LEP Chair for their work and Miranda Barker provided a brief update

on the work of the Low Carbon related submissions and Community Renewal Fund going to Government.



Lancashire Enterprise Partnership Limited

Private and Confidential: No

Date: Tuesday, 7 September 2021

Governance and Committees Report

Report Author: Misbah Mahmood, Senior Democratic Services Officer
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Executive Summary

This report extracts the key items considered by each of the Lancashire Enterprise Partnership Board (LEP) Committees at their recent meetings and, where applicable, and if not considered elsewhere on the Board's main agenda, contains decisions referred to the Board by its Committees for approval.

Recommendation

The Lancashire Enterprise Partnership Board is asked to:

- i. Note the updates provided in this report in relation to Governance, urgent decisions taken since the last LEP Board meeting and the Committees of the Lancashire Enterprise Partnership as set out.
- ii. Note that Debbie Francis has been appointed as a Director on the LEP Board and appointed to the role of Chair of the LEP Board.
- iii. Note that County Councillor Phillippa Williamson is appointed as the Lancashire County Council representative on the City Deal Executive, as set out in the committee Terms of Reference, and County Councillor Aidy Riggott is appointed as a nominated observer.
- iv. Note that Neil Shaw, CEO of Rossendale Borough Council, has been nominated by the Lancashire Local Authorities to the Lancashire Skills and Employment Advisory Panel to replace Dean Langton.

Background and Advice

This is a standing report which provides an update on governance issues and meetings of committees of the LEP since the last ordinary meeting on 22 June 2021 in accordance with the LEP Assurance Framework dated December 2019, publicly available on the Lancashire Enterprise Partnership website:
<https://lancashirelep.co.uk/about/policies/>

Current LEP Committee Vacancies

A number of LEP Committee vacancies exist within the LEP Assurance Framework



as follows:

- 1 x Growth Deal Management Board Chairman
- 1 x Lancashire Local Authority Leaders nominated Leader on Skills and Employment Advisory Panel (a new nominee has been requested from Lancashire Leaders) and nominated Chief Executive.

Lancashire Enterprise Partnership Limited – Debbie Francis is appointed as a LEP Director and appointed to the role of Chair of the LEP Board.

City Deal – County Councillor Phillippa Williamson is appointed as the Lancashire County Council representative on the City Deal Executive, as set out in the committee Terms of Reference, and County Councillor Aidy Riggott is appointed as a nominated observer. In addition to this, Councillor David Borrow has replaced Councillor Peter Moss as Preston City Council's observer on the City Deal Executive.

Lancashire Skills and Employment Advisory Panel – the Lancashire Local Authorities group have nominated Neil Shaw, CEO of Rossendale Borough Council, to replace Dean Langton, previously CEO of Pendle Borough Council to represent the Chief Executives on the panel.

Updates from recent LEP Committee Meetings / Decisions taken by the Urgent Business Procedure of the LEP

1. Urgency Business Procedure Decisions

There have been no decisions taken under the Urgent Business Procedure since the last meeting.

2. City Deal Executive and Stewardship Board

The Combined City Deal Executive and Stewardship Board met on 13 July 2021 and considered / approved the following:

Homes England Quarterly report: the committee received an update and resolved that a meeting to be arranged between Homes England and the appropriate officers from each council to identify the correct forum to report avoidable house provision moving forward.

Employment and Skills, Social and Economic Impact Update – it was noted that the City Deal outputs for skills and employment would be updated in November 2021 following the end of the academic year and reported back to the Board at the next available meeting; the impact of COVID-19 was continuing to be reflected in the data that is being presented to the Board and it was noted that apprenticeship data was not very positive in terms of the employments starts and completions. In addition, COVID-19 was continuing to impact on school engagement activities; The figures in relation to the construction section were becoming increasingly positive in terms of the recruitment and workforce numbers; Preston Western Distributor had generated



some very positive results in Social Value during the first year of construction of the project.

Quarter 4 Infrastructure report - It was noted that during Quarter 4 of 2020/21 the Fishergate Central Gateway and the Hutton to Penwortham Corridor improvements that were required as part of the planning condition for the Penwortham Bypass were completed.

A582 South Ribble Western Distributor update – it was noted that although some activities had been progressing, some activities were not able to be progressed, most notably the design activity work on the rail structures which was awaiting legal and procurement deliberations. However, it was noted that work was expected to continue towards the end of July 2021.

City Deal Review update – it was noted that since the last meeting of the board, a number of meetings had taken place between Government Officials and MPs, with the Leaders and Chief Executives to progress and escalate the New Homes Bonus (NHB) issue; Following activity in establishing each of the council's interpretation of the original Heads of Terms, it was noted that the interpretation had now been established and had identified some areas that required further discussions between the Chief Executives; It was expected that a clarified Heads of Terms, with a revised and updated financial model would be available by the end of the month. This would accommodate the new forecasting of the housing and commercial sites and would enable the councils to have a discussion around the prioritisation of schemes.

Preston Western Distributor Update – the committee received a private and confidential report and noted the current programme and financial position of the Preston Western Distributor Scheme.

Finance Monitoring Report Quarter 4 - the committee received a private and confidential report and noted the work ongoing and required to be resolved to address the deficit forecast in the infrastructure delivery model.

Full agendas and minutes for the Combined City Deal meetings can be accessed here: <http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1072>

3. Growth Deal Management Board

There have been no meetings of the Growth Deal Management Board since the last update.

The reports and minutes for Growth Deal Management Board meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1218>

4. Enterprise Zone Governance Committee

There have been no meetings of the Enterprise Zone Governance Committee since



the last update.

Full agendas and minutes for the Enterprise Zone Governance Committee meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1171>

5. Lancashire Skills and Employment Advisory Panel

There have been no meetings of the Lancashire Skills and Employment Advisory Panel since the last update.

Full agendas and minutes for the Lancashire Skills and Employment Advisory Board meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1011>

6. Business Support Management Board

There have been no meetings of the Business Support Management Board since the last update.

Full agendas and minutes for the Business Support Management Board meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1220>

7. Lancashire Innovation Board

There have been no meetings of the Innovation Board since the last update.

Full agendas and minutes for the Lancashire Innovation Board can be accessed here:

<https://council.lancashire.gov.uk/ieListMeetings.aspx?Committeed=1678>

8. Joint Scrutiny Committee

There have been no meetings of the Joint Scrutiny Committee since the last update.

Full agendas and minutes for the Joint Scrutiny Committee meetings can be accessed here:

<https://council.lancashire.gov.uk/ieListMeetings.aspx?Committeed=1708>

List of Background Papers

Paper	Date	Contact/Tel
None		



Reason for inclusion in Part II, if appropriate
n/a



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: Tuesday, 7th September 2021

LEP - COP 26 - Annual Climate Change Conference - Glasgow

Report Author: Anne-Mare Parkinson, anne-marie.parkinson@lancashirelep.co.uk

Executive Summary

This report provides the Lancashire Enterprise Partnership (LEP) Board with an update on the national and local arrangements in respect to the United Nations Annual Climate Change Conference Cop 26 – Glasgow.

Recommendation

The Lancashire Enterprise Partnership (LEP) is asked to:

- (a) Note the contents of this report.
- (b) Note that a successful expression of interest to COP26 organisers means that North West representatives will participate in the Green Zone at COP26 in Glasgow.
- (c) Note that BEIS has provided funding to regions for local activities, which will require an equal level of match funding. This will be formalised via a Grant Funding Agreement.
- (d) Note a LEP contribution of £5,000 to support the Glasgow activities.
- (e) Note that North West LEPs will participate in the Glasgow activities and regional programme, to be overseen by a steering group in consultation with a wider stakeholder panel.

Background and Advice

UNITED NATIONS CLIMATE CHANGE CONFERENCE - COP26

The United Nations Climate Change Conference, known as COP26 (<https://ukcop26.org/>) will take place in Glasgow over a fortnight from 31st October to 12th November. This conference is a major milestone in international efforts to combat climate change. COP takes place every year, but every five years the conference is a more significant decision making forum, and Glasgow (co-hosted with Italy, delayed from 2020) is one such event. Previous 5-year events have resulted in the politically significant Koyoto Agreement and the 2015 Paris Agreement. The world will be watching the Glasgow event this year.

The UN Climate Change Conference COP26 is branded as [Together for Our Planet](#).

The Conference will have 2 main zones:

- Blue Zone: Held at the Scottish Events Campus (SEC) for International negotiations; and
- Green Zone: Held at the Glasgow Science Centre for the UK Government Showcase.

There are four overarching strands to the International negotiations:

- Mitigation: Secure global net zero and keep 1.5 degrees within reach
- Adaptation: Urgently adapt to protect communities and natural habitats
- Mobile Finance
- Collaboration: Work together to deliver

As well as the strands to negotiation, there are also five UK Presidency themes which the conference will be focusing on:

- Adaptation and resilience
- Nature
- Energy
- Transport; and
- Finance

The organisers of COP26 invited expressions of interest for UK organisations to take part in the event. A consortia bid by NW LEP's, including; Lancashire LEP, Cumbria LEP, Cheshire and Warrington LEP, Greater Manchester Combined Authority and Liverpool City Region Combined Authority, was submitted for the Green Zone and was successful in part, to host a youth focused event and other fringe panels and exhibitions. This is due to take place at Glasgow at 4pm on the 7th November. Further details will emerge over the coming weeks, which will allow potential attendees to be identified from across the North West.

COP unit published the high-level [Presidency programme](#) of theme days for the main COP event on Glasgow (as below), and associated [press release](#).

WEEK ONE						
SUNDAY OCTOBER 31ST	MONDAY NOVEMBER 1ST	TUESDAY NOVEMBER 2ND	WEDNESDAY NOVEMBER 3RD	THURSDAY NOVEMBER 4TH	FRIDAY NOVEMBER 5TH	SATURDAY NOVEMBER 6TH
PROCEDURAL OPENING OF NEGOTIATIONS	WORLD LEADERS SUMMIT Welcoming world leaders to COP to put forward high level ambition and action towards securing global net zero and keeping 1.5 degrees in reach; adapting to protect communities and natural habitats; and mobilising finance.	FINANCE Mobilising public and private finance flows at scale for mitigation and adaptation.	ENERGY Accelerating the global transition to clean energy.	YOUTH AND PUBLIC EMPOWERMENT Elevating the voice of young people and demonstrating the critical role of public empowerment and education in climate action.	NATURE Ensuring the importance of nature and sustainable land use are part of global action on climate change and a clean, green recovery.	
WEEK TWO						
SUNDAY NOVEMBER 7TH	MONDAY NOVEMBER 8TH	TUESDAY NOVEMBER 9TH	WEDNESDAY NOVEMBER 10TH	THURSDAY NOVEMBER 11TH	FRIDAY NOVEMBER 12TH	SATURDAY NOVEMBER 13TH
REST DAY AHEAD OF THE SECOND WEEK OF NEGOTIATIONS	ADAPTATION, LOSS AND DAMAGE Delivering the practical solutions needed to adapt to climate impacts and address loss and damage.	GENDER Progressing gender equality and the full and meaningful participation of women and girls in climate action. SCIENCE AND INNOVATION Demonstrating that science and innovation can deliver climate solutions to meet, and accelerate, increased ambition.	TRANSPORT Driving the global transition to zero emission transport.	CITIES, REGIONS & BUILT ENVIRONMENT Advancing action in the places we live, from communities, through to cities and regions.	CLOSURE OF NEGOTIATIONS	



Senior leaders and business representative from the North West will also attend Glasgow and participate in discussion panels, around the theme for that day. The North West itinerary, subject to confirmation is currently:

- 10th Nov (PM) – North West Dinner
- 11th Nov (AM) – North West Breakfast
- 11th Nov (PM) – North West Drinks Reception

Arrangements require further detail before invitations can be concluded.

NORTH WEST DOMESTIC CAMPAIGN

In addition to the main conference, there is the COP26 Domestic Campaign, a local energy and climate policy activity. A principal aim is to gather local narratives around projects that have been delivered and their impacts, as well as showcasing what individuals and organisations can do now to support Government's Net Zero ambitions. Objectives are to:

- better understand and collect supporting evidence of impacts of funding spent on Net Zero by Local Authorities (LAs).
- understand better the work done by community groups on net zero.
- understand barriers to further work by these two sectors.
- understand better the SME landscape, including opportunities

BEIS has offered funding to the North West region via the Local Energy North West Hub. This funding, for a 'COP26 Domestic Campaign' is to support local events and gathering of case studies in support of COP26.

A proposed North West programme of activities has been developed by a steering group comprised of NW LEP representatives and in consultation with the wider North West Net Zero group. This programme will:

- Organise a series of **flagship events and site visits** in October to coincide with a national Roadshow, with an electric bus linking events across the UK
- Gather 125 **case studies** that will be promoted on the local energy hub website and a national platform to be agreed with BEIS.
- Organise three North West events (**Green Zones**) aligned with COP26 themes, to take place during the COP26 fortnight and be showcased in Glasgow.

Other organisations in the North West will be delivering events linked to COP26, including universities and local authorities. LEPs can ensure that the events in their area are signposted and cross marketed. Growth Hubs are also engaged to promote the national campaign for SMEs to sign up to net zero pledges.

The Local Energy Hubs are governed and overseen by management boards comprised of representatives from Local Enterprise Partnerships. These boards have some discretion over how the BEIS defined scope of the COP26 Domestic Campaign is delivered. Government is expecting that a budget is raised locally (both monetary and in kind) equivalent to the funding provided from central government.



The [Local Energy North West Hub](#) is directed by the five LEPs in the North West and is coordinating activity to design *North West COP26 activities*. Planet Mark are the tour operators, and Carbon Copy is responsible for the collation of the case studies

Flag Ship and Site Visits (Planet Mark event organisers)

A national roadshow will take place in advance of COP26. An electric bus promoting action on climate to businesses and communities will stop at destinations across England and Wales. The roadshow will visit the North West between 29th September and 13th October. The Roadshow events, organised between the host and Planet Mark, will engage audiences on focused topics. These events will be designed to draw in interest from across an individual LEP area.

The roadshow will also make visits to key locations (site visits) to capture videos and interview to highlight a recent success story. To mitigate the risk associated with short timescales for arranging these visits, LEPs in the North West have discretion to finalise the locations and content. Site Visits events will be concluded following finalisation of the flag ship events, depending on the logistics.

The dates when the roadshow will be in Lancashire are the **11th-12th October 2021**.

Flag Ship – These events are about pulling stakeholders together to tell their success stories. A live audience (covid restrictions may apply) + digital streaming. This audience could be for businesses, youth, public sector and / or community organisations. The Planet Mark campaign brings in with it the *Race to Zero*, encouraging businesses and other organisations to pledge Net Zero. See below information pack in terms of content for the events. Planet Mark over the past few months have also directly liaised, with all Lancashire Local Authorities and Growth Hubs, to ensure the widest possible engagement.



Zero Carbon Tour -
General Information P

The ‘flagship’ events will be approx. 3 hours in length, include circa 90 mins of short presentations by local organisations sharing real world example of action. An introduction or keynote can be included. The live event should enable networking to take place between attendees, covid restrictions allowing. These events can be extended into a full day, or be incorporated into an existing event. The venue should be located at an **iconic** location to Lancashire. It needs to be accessible, carbon friendly, with good wi-fi, and at a location where the bus charging requirements can be met.

The roadshow will include content provided by the bus tour provider, a 45 minute carbon jargon session – UN Race to Zero. An online webinar for each hub region will be promoted after the event: Net Zero Carbon Essentials.

Revenue funding from BEIS will be allocated to facilitate these events, with delivery organisations to evidence the match contributions that have been made. BEIS have asked us to *endeavour* to match all the funding we receive. In-kind contribution can be classed as match as long as they can be evidenced.



In terms of the Lancashire Flagship the NW Energy Hub have confirmed this will take place on the 11th October 2021. A number of potential Lancashire locations have been discussed with the event organisers, Local Energy North West Hub and Planet Mark. The preferred location, subject to confirmation of logistics is [Townley Hall](#), Burnley. A beautiful setting, at the heart and spirit of the industrial revolution, which links to the progression through to Lancashire key sector 'Advanced Manufacturing'. It is envisaged the theme of Lancashire's flagship event will be; innovation, emerging technologies, energy etc.

Site Visits - The roadshow will also make visits to key locations (site visits) to capture videos and interview to highlight a recent success story. To mitigate the risk associated with short timescales for arranging these visits, LEPs in the North West have discretion to finalise the locations and content, and these locations must be accessible to the electric bus, accounting for the need to access charging points and parking.

The site visits will be captured by the bus tour provider as interviews and will count as a case studies for that region. Since these must align with the location of the bus, the energy hub will work with LEPs to agree these.

Site visit examples as per links below.

<https://www.youtube.com/watch?v=8XMzTo8gIOY>

<https://www.youtube.com/watch?v=yxFe2zj263c>

The potential dates for Lancashire Site Visit/s are 11th - 12th October 2021. Due to logistical arrangements for the Electric Bus, the NW Energy Hub has advised site visits (location, time, arrangements) can only be considered following finalisation of the Flag Ship event arrangements. it is envisaged to finalise site visits by mid-September.

Case Studies

BEIS has provided outline requirements for case studies. A North West scope for case studies has been developed. This is designed to ensure that case studies are captured from across the geography and are gathered in sufficient time to be presented in November.

Local Authorities and Growth Hubs have also been engaged directly to put forward case studies. Organisations that have expressed interest in Glasgow may provide case studies where there is a recent success that can be promoted. There will be coordination with Growth Hubs, DIT and BEIS Cities and Local Growth and other regional agencies.

It is expected that the case studies will be created, collated, and presented openly for other LAs and communities to access through an online platform. The videography, photography, write ups and interviews will be used to create the case studies, which will be covering the following **categories**:

1. **Business**
2. **Local government**
3. **Public (including individual stories)**
4. **Community (including youth, face, etc.)**
5. **Tech (including sector retrofit and new built)**



6. D&I and innovation (including EV, hydrogen and heat) projects

Total number of case studies collated by the NW Hub is 125 with at least 10 per each category specified above.

A case study template is expected to be provided within the next week, which will be distributed to all Lancashire partners.

COP 26 North West Regionally Events (Green Zones)

The events will take place during the fortnight of COP to mirror themes and activity in the Green Zone in Glasgow and showcase north west activity and projects to public, delegations, and investors in regard to those themes. These activities could be digitally linked to Glasgow and other Regional Green Zones across the UK through online participation in and streaming of events. They are organised thematically around the high-level [Presidency programme](#) of theme days for COP ([press release](#).)

They will be branded as a North West events, and use branding from COP26 main event, including as stipulated under the LA guidelines for [Together for Our Planet](#).

The North West event will aim to attract sponsorship to support delivery of the event. The sponsorship will contribute to the evidence of regional match for all LEP areas. Sponsorship should not be linked to the Oil and Gas sector by stipulation from BEIS.

In terms of the North West, there will be **2 Green Zones**, with the venues in Manchester and Liverpool agreed. The event is branded 'North West', with speakers, content and attendees' representative of all 5 LEP Areas.

The Green Zone regional events across the fortnight, are themed, and fall on the same day as the themed activities in Glasgow Presidency Programme. For the North West these include:

- ***North West Green Zone (Liverpool)*** is scheduled to take place on 4th Nov – COP Theme 'Energy – Accelerating the transition to clean energy'.
- ***Manchester Green Zone (Manchester)*** is scheduled to take place on 9th Nov – COP Theme Science and innovation – Demonstrating science and innovation can deliver climate to meet, and accelerate, increase ambition.'

All arrangements discussed in this report will be considered in the context of wider activities taking place across Lancashire, two of which for your information are included below. Should Members be aware of other related climate change activities / events or potential case studies please forward these to Anne-marie.parkinson@lancashirelep.co.uk

Whilst these events do not take place when the roadshow will come through Lancashire on the 11-12th October 2021, they will provide great case studies and potentially production feed into the Green Zones, feeding into Glasgow main event.

Walk Cop 26 – 22nd Oct 21



210621 Walk2Cop26
Concept Paper.pdf

Lancaster Uni COP 26 Climate Change Festival 20-27th Oct 21

<https://www.lancaster.ac.uk/future-places/news/introducing-cop26-at-lancaster-festival-1>

Innovation Festival 4-8 October 2021 (Maya Ellis)



2021 Lancs
Innovation Fest speak

FUNDING

Lancashire Events – Government is able to provide up to £11,000 to support the delivery of events (flagship, site visit, case studies) taking place in Lancashire, however it is expected this would be matched (this can be in-kind e.g. venue hire). It is envisaged with the exception of catering, costs can be kept to a minimum with Planet Mark providing all the Visual / IT / Comms requirements for the Flag Ship, Site Visits and Case Studies.

Main Conference – The costs associated with the North West attendance at the main conference in Glasgow are to be met by the areas represented and sponsorship. Typical costs will include; hosting the dinner, breakfast, drinks, comms, venue hire etc. To ensure the North West has a strong voice at COP26, and given the number of activities planned in Glasgow, together with sponsorship raised, the Northwest LEPs are being asked to contribute; Greater Manchester and Liverpool (£10k each) with Lancashire, Cheshire and Cumbria (£5k each).

Budgets and arrangements will be formalised in the form of a Grant Funding Agreement over the next few weeks.

List of Background Papers

Paper	Date	Contact/Tel
None		
Reason for inclusion in Part II, if appropriate		
N/A		



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: Tuesday, 7 September 2021

Lancashire Local Enterprise Partnership Economic Outlook Update

Report Author: Joseph Mount, Skills and Economic Intelligence Officer, Lancashire Skills & Employment Hub, joseph.mount@lancashirelep.co.uk

Executive Summary

The report provided gives an overview of the latest data which makes up the economic outlook for Lancashire. Broadly the data we use to understand the economy in Lancashire is far from real-time, in the main, the data is annual or quarterly, though we can understand an approximation of unemployment and national economic output on a monthly basis.

- **Gross Value Added (GVA) in Lancashire in 2019 increased** by £907m from 2018 levels, which is a much larger year on year increase than the £289m increase from 2017 to 2018, though the 2019 figures are still provisional and will likely be revised.
- **Lancashire's GVA has grown annually at a rate of 2.9%** since 2015, 28th fastest of the 38 LEP areas nationally. Pendle has been the fastest growing district in Lancashire, at 5.7% annual growth since 2015, compared to a 1.53% annual contraction in Ribble Valley.
- **Manufacturing now accounts for 1.6% more of Lancashire's GVA than it did in 2010, accounting for 19% of all Lancashire GVA in 2019, the equivalent of £6.6bn.** Despite this, the manufacturing sector growth in Lancashire since 2015 (1.9%) has been below Lancashire's overall annual growth rate (2.9%), though the growth in Lancashire's manufacturing has been above the North West growth (1.3%).
- **Administrative and Support Services, Accommodation and Food Services, and Electricity, Gas, Steam and Air Conditioning Supply have all captured a greater share of Lancashire's GVA than they had in 2010.** Finance and Insurance, and Real estate have both reduced their share of Lancashire's GVA since 2010.
- **The sectors which have contributed most to Lancashire's £900m+ growth since 2018, are the Health and Social Care sector, the Education Sector, and the Information and Communication Sector,** with the Manufacturing sector actually shrinking by £15m between 2018 and 2019.
- **The fastest growing sectors in Lancashire by GVA since 2015 are the Professional Scientific and Technical Sector (+5.1% annual growth), and the**



Information and Communication Sector (+5.4% annual growth), though the Information and Communication sector growth in Lancashire is 0.4% lower than the North West growth rate since 2015.

- **Productivity metrics rank Lancashire in the top 3 of all LEPs nationally by growth rate**, but this hasn't grown fast enough for Lancashire to catch up with other LEPs, and as a consequence Lancashire are middle of the pack in terms of productivity.
- **Lancashire's job density is one of relative scarcity compared to many regional neighbours, at 0.81 jobs for every 1 working age Lancashire resident**, ranking Lancashire 11th bottom in a job density league table of all LEPs, though growth would rank Lancashire in the mid-table.
- **Lancashire's median gross weekly pay in 2020 was £528.10, which was the 6th lowest nationally**. In the North, only North East LEP and Humber LEP had lower pay. Lancashire's pay has grown annually at 1.95% since 2015, though shrank from 2019 to 2020.
- **Lancashire's claimant count rate, measuring unemployment benefit claimants, has dropped below 6% for the first time since the start of the pandemic, though still 2.3% above it's pre-pandemic level**. The percentage of young people (18-24) claiming unemployment benefit is over 3% higher than it was pre-pandemic, the highest of any age group in Lancashire overall.
- **Vacancies posted monthly so far this year (latest data is for June 2021), have been higher than at any point in their equivalent months in 2019 and 2020**, with over 17,000 posted in June 2021 alone, higher than any individual month in the last two years.
- **Over 20,000 people were "pinged" to isolate in Lancashire in July 2021 alone**, putting pressure on employers that are struggling with supply chain issues and difficulties recruiting.
- **As of May 2021, the economy nationally is 1.9% below it's pre-pandemic level**. The recovery varies between the Service sector and the Manufacturing sector. Manufacturing output in April 2020 was 32% lower than it's 2018 levels and the service sector was 21.6% lower. In January 2021, both the manufacturing sector and the services sector were around 8% below their pre-pandemic level, and the services sector has continued to grow towards this, whereas manufacturing has wobbled slightly since.

Recommendations

1. The board are asked to note the contents of the paper.



Background and Advice

The table on the following page shows a red amber green rating of various measures as outlined by the Department for Business, Energy and Industrial Strategy's LEP Economic Outlook Framework, showing reflections on the latest measures for Lancashire.



Ref	Detail	Previous Progress	Change in Measure	Current Position
1.1	<p>Activity that increases investment in Lancashire: Measures of grant value secured, attracting inward investment and securing financial investment including leveraging private and public funding</p>	Good	<p>+13.5% YoY, 17th fastest growth nationally for HEI grants.</p> <p>10% increase in UKRI and Innovate UK Grants</p> <p>Inward Investment Successes -4 projects; + 3577 jobs; value +£1.46bn</p>	<p>£50.7m 2018/19, Ranked 20th nationally for HEI grants.</p> <p>Ranked 26th nationally for UKRI and Innovate UK Grants (295 active)</p> <p>18 projects 2020/21; jobs created; value £3.8bn</p>
1.2	<p>Activity that increases the Value of Lancashire's Economy: Annual measures of GVA and GVA per hour / per worker</p>	Increasing and gap narrowing.	<p>Productivity 2nd and 3rd fastest growing nationally (per hour and per job)</p> <p>Overall GVA growth 2.9% annually (last 5 years), 28th fastest growing.</p>	<p>Ranked 20th and 22nd for Productivity Per Hour (£31.32) and Per Filled Job (£49,717) respectively.</p> <p>Improved 10 places in ranking for both measures since 2010.</p> <p>Ranked 17th for overall GVA (£34.4bn). Improved 1 place in ranking since 2010.</p>
1.3	<p>Activity that increases the number of businesses, jobs and people in employment: Measures of the number of business (count); job numbers / density; and employment rate</p>	Count and density increasing	<p>1.33% average annual growth rate in business count. 28th fastest growing.</p> <p>2.4% increase in employment rate, 10th fastest growing.</p> <p>Job density increased by 0.03 since 2015, 20th fastest growing.</p>	<p>14th highest business count (52,000), reduced 1 place in the ranking since 2010.</p> <p>28th highest employment rate (75%).</p> <p>27th ranked for Job Density (0.81)</p>
1.4	<p>Activity that increases the strength of the workforce including by attracting and retaining talent and increasing skills and apprenticeships aligned to business need: Measures of growth in working age population; increasing numbers of NVQ4, HE Qualifiers, Leavers working Locally, Apprenticeships, employment levels in science and technology, and tackling hard to fill vacancies / skills shortages</p>	% over 64 increasing greater rate than UK; HE qualifiers down; NVQ4 gap improving	<p>-2.41% annual contraction over the last 5 years in HE qualifiers, ranked 34th nationally.</p> <p>+5.8% growth in % qualified to NVQ4+ since 2015, ranked 16th for growth.</p> <p>-0.5% contraction in % with a trade apprenticeship, rank improved from 15th to 10th nationally.</p> <p>7% annual growth rate in the number of people working in STEM in Lancashire, 2.8% above national average.</p>	<p>Ranked 14th nationally for HE qualifiers (17,000).</p> <p>Ranked 31st nationally for % qualified to NVQ4+ (36.4%).</p> <p>Ranked 10th for % with a Trade Apprenticeship (3.7%). Improved 5 places in ranking since 2015.</p> <p>Ranked 26th nationally for % working in STEM (7.2%, 50,000 people).</p> <p>Ranked 6th bottom for percentage of vacancies which are hard to fill (46%, 8500+ vacancies) and ranked bottom for percentage of vacancies that are hard to fill due to</p>



				skills shortages (36%).
1.5	<p>Activity that improves and strengthens business performance: Measures of business start ups reaching milestones (£1m/£3m) and 3yr survival rate; increasing high growth, R&D firms and product innovators</p>	<p>start up performance and survival, high growth, R&D, innovators increasing</p>	-	<p>Ranked 6th nationally for percentage of start-ups reaching £1m turnover within 3 years (2.1%).</p> <p>Ranked 30th nationally for percentage of scaleups reaching £3m turnover within 3 years of reaching £1m turnover (6.5%).</p> <p>Ranked 19th nationally for high growth firms (20% annual average employment growth for businesses with 10+ employees), 5.9% of firms in Lancashire.</p>
1.6	<p>Activity that supports and engages business in improving prosperity, the environment and quality of life: Overarching measures of prosperity, environment and quality of life (to which the LEP has a role to play alongside other Lancashire partners and stakeholders) including gross disposable income and earnings, reducing carbon and CO2 emissions and life satisfaction score</p>	<p>GDI falling and gap widening; CO2 emissions improving but gap widening; LSS</p>	<p>Gross weekly pay grown at 1.95% annually since 2015, below national rate of 2.01%, ranked 17th nationally by growth in median gross weekly pay. Pay reduced from 2019-2020.</p> <p>Life satisfaction score since 2015 has increased by 0.03 (out of 10.0) in Lancashire County, reduced by 0.11 in Blackpool, and increased by 0.18 in Blackburn with Darwen, compared to no change in the UK.</p>	<p>Ranked 32nd nationally by median gross weekly pay (£528.10).</p> <p>Life satisfaction score isn't aggregated by LEP area, but for the constituent areas of the Lancashire LEP, the County area and Blackburn with Darwen both have a Life satisfaction score above the UK rate, Blackpool's is 7.55 compared a national average of 7.66.</p>

1.0 Introduction

1.1 Lancashire GVA has grown slowly, but ranks in the top 20 of all LEPs nationally, whereas Lancashire's productivity per hour worked and per filled job has grown fast. These productivity metrics rank Lancashire in the top 3 of all LEPs nationally by growth, but this hasn't grown fast enough for Lancashire to catch up with other LEPs, and as a consequence Lancashire are middle of the pack in terms of productivity measured as total GVA. Lancashire's job density is one of relative scarcity compared to many regional neighbours, ranking Lancashire 11th bottom in a job density league table of all LEPs, though growth in job density would rank Lancashire in the middle quartile nationally. Lancashire's pay ranks poorly, with Lancashire in the bottom quartile of all

LEPs nationally for Median Gross Weekly Pay, growing more slowly in Lancashire than nationally.

1.2 Gross Value Added GVA

- 1.2.1 The latest provisional figure released for GVA in Lancashire for 2019 is £34.393bn which constitutes a nominal increase of GVA from 2018 to 2019's provisional estimate of £907m, compared to the 2017 to 2018 increase of £289m. All GVA figures quoted are pre-pandemic, and are published with a lag, it may be 2023 before we have a view on Lancashire's GVA from 2021.
- 1.2.2 As it stands, Lancashire's annual growth rate of GVA in current prices is 2.91% since 2015, this ranks Lancashire 28th of all LEPs in England by growth over this period, though Lancashire does rank 16th nationally in terms of the size of GVA (an improvement of 1 place since 2010), and is the 2nd largest in the North West (after Manchester). Compared to Lancashire's trend of growth since 2015, the growth in 2019 from 2018 levels has been below the 2.91% trend, at 2.7%.
- 1.2.3 Different districts within the Lancashire LEP area have had different successes in growth in GVA, with Pendle leading the way in terms of an annual growth rate since 2015 of 5.7%, followed by Blackpool with 5.3%. Ribble Valley is the only district with a negative growth rate of (-1.53%) since 2015, representing a £22m contraction in GVA since 2015.
- 1.2.4 Clearly geographic specialisms in sectors have a role to play in determining the relative health of a local economy, and so it's interesting to understand which sectors are becoming increasingly more dominant in Lancashire by their share of GVA, and to understand how this might influence what appears to be local performance.

1.2.5

Local Authority	2019 (£m)	Nominal Growth 5 Yr (£m)	2019 % of Lancs GVA	AGR 2015-19
Preston	£4,489.00	£709	13.05%	3.15%
South Ribble	£3,780.00	£565	10.99%	2.41%
Blackburn with Darwen	£3,121.00	£425	9.07%	1.96%
Lancaster	£2,816.00	£289	8.19%	1.27%
Fylde	£2,811.00	£592	8.17%	3.74%
Blackpool	£2,810.00	£645	8.17%	5.25%
West Lancashire	£2,583.00	£472	7.51%	4.00%
Chorley	£2,130.00	£417	6.19%	4.20%
Burnley	£2,017.00	£313	5.86%	4.58%
Pendle	£1,868.00	£392	5.43%	5.73%
Wyre	£1,790.00	£422	5.20%	2.81%
Ribble Valley	£1,724.00	-£22	5.01%	-1.53%
Hyndburn	£1,434.00	£140	4.17%	1.90%
Rosendale	£1,022.00	£55	2.97%	0.00%

Figure 1: Lancashire LEP District/Unitary Authorities, GVA. Source: ONS Data from Lancashire Skills and Employment Hub Evidence Base

1.2.6

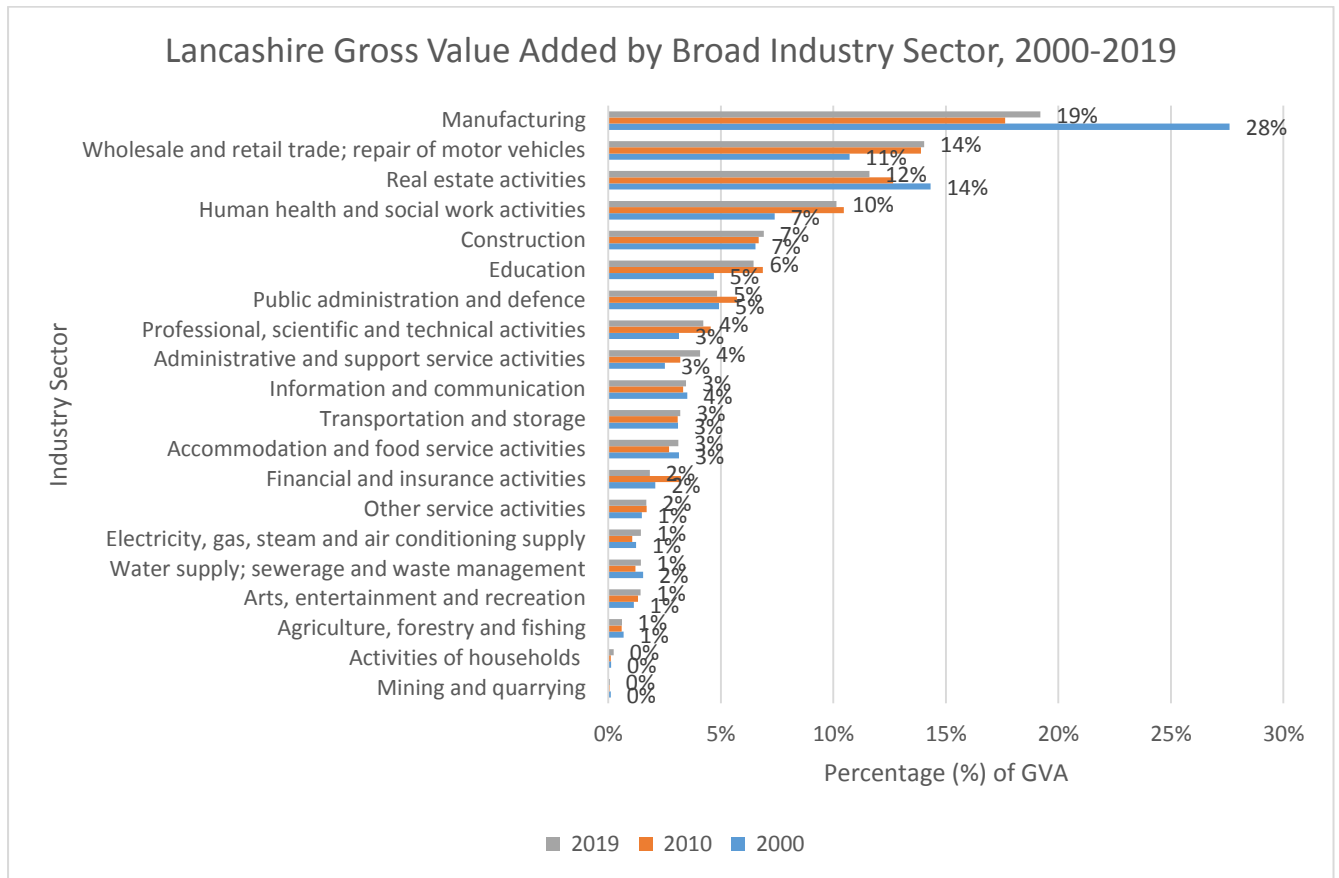


Figure 2: Lancashire Gross Value Added by Broad Industry Sector. Source: ONS Regional Productivity, 2021.

1.2.7 Manufacturing has captured a further 1.6% of Lancashire's GVA compared to 2010, now accounting for 19% of Lancashire's 2019 GVA, the equivalent of £6.6bn in annual output. Lancashire's manufacturing output as a proportion of its overall output is 19%, for context 15% of output in the North West comes from Manufacturing and 10% of output in the United Kingdom. Lancashire accounts for 24% of all manufacturing output in the North West.

1.2.8 Other sectors which have increased their share of Lancashire's GVA in 2019 relative to their 2010 share include the Administrative and Support Services Sector, which now accounts for 0.9% more of Lancashire's GVA than it did in 2010. Accommodation and Food Services sector has also grown its share by 0.4% over the same time period as well as Electricity, Gas, Steam and Air Conditioning Supply.

1.2.9 Sectors which have experienced a drop in their percentage of Lancashire GVA in 2019 relative to 2010 include the Financial and Insurance Activities Sector, which has fallen by 1.4%, Real Estate which has fallen by 1.05%, and Public Administration and Defence, which has fallen by 0.9%. Lancashire's Human Health and Social Work Sector and Professional, Scientific and Technical Activities sectors have also both fallen by 0.3% since 2010.

1.2.10 In terms of sectors which contribute most to Lancashire's GVA, the Manufacturing sector (as aforementioned) contributes 19%, Wholesale and



Retail Trade 14% (equivalent of £4.8bn), Real Estate 12% (£3.9bn), Human Health and Social Work 10% (£3.4bn), and Construction with 7% (£2.3bn).

1.2.11 Despite the Manufacturing sector increasing its "market share" of Lancashire's GVA since 2010, its growth rate since 2015 has been below Lancashire's overall trend growth rate (of 2.9%), with annual growth over the same period at 1.9%. Despite being below Lancashire's overall trend growth, growth in the Manufacturing sector in Lancashire has outstripped North West growth in the Manufacturing sector, which has grown annually at 1.3% since 2015. In some areas of Lancashire, the manufacturing sector has actually seen a negative growth rate since 2015, with Preston (-1.5%), Ribble Valley (-2.2%) and South Ribble (-1.9%) all reporting negative annual growth in this sector since 2015. Those three areas have positive annual growth rates if you look from 2010 onwards, so it would suggest the growth in the last 4 years wasn't as strong as the 4 years preceding them. It is interesting to note that these 3 areas account for 26.3% of Lancashire's manufacturing GVA.

1.2.12 At the same time as understanding post 2015 growth trends by sectors, it's also important to take into account the previous year's performance. Lancashire's GVA growth between 2018 and 2019 is provisionally over £900m, which is far higher than previous years, the sectors which have contributed most to this are the Human Health and Social Work Activities sector (+£153m), Education (+£142m), Information and Communication (+£106m). It is interesting to note that despite being Lancashire's highest value sector, the Manufacturing sector (along with Finance and Insurance, and the Arts) actually shrank between 2018 and 2019 by £15m, a -0.2% growth.

1.2.13 Positives to note are the GVA growth in Lancashire's Professional Scientific and Technical sector (5.1% annually since 2015), and Information and Communication sector (5.4% annually since 2015, though 0.4% below North West growth over the same period). It's important to remember these figures are pre-pandemic, and we have only anecdotal information on the present health of sectors, such as a drop in demand in the civil aviation market.

1.3 Productivity: GVA Per Hour Worked and GVA Per Filled Job

1.3.1 Despite a mixed picture in growth of GVA for Lancashire since 2015, the productivity measures which underpin this have been extremely encouraging. We can see GVA Per Hour worked and GVA Per Filled Job growing at over 3.3% annually since 2015, the second and third fastest growing of all LEPs nationally.

1.3.2

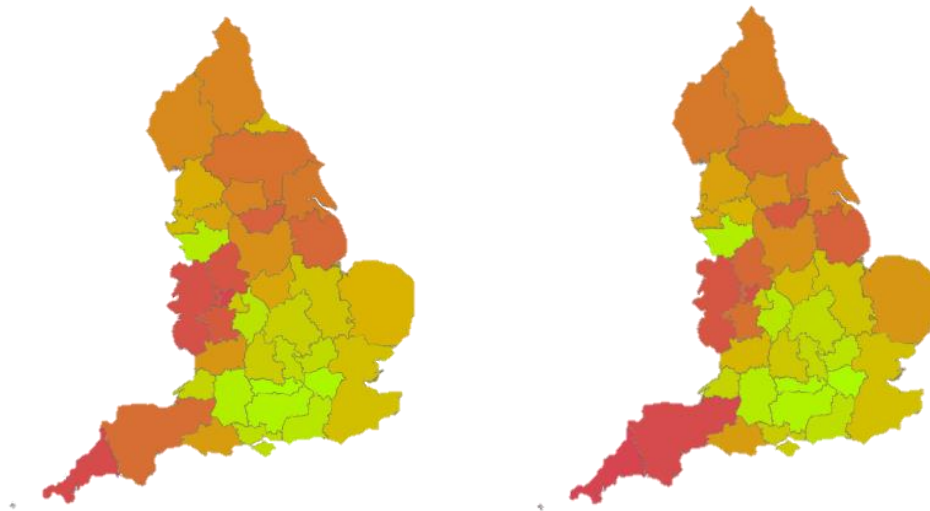


Figure 3: GVA Per Hour Worked (Left) and GVA Per Filled Job (Right). 2018 Rank (Green = More Productive, Red = Less Productive). Source: ONS, 2020

1.3.3 When measuring GVA Per Hour Worked in Lancashire, for which 2018 is the most recent data, Lancashire rank 20th nationally, with £31.32 of GVA created on average by each Lancashire worker every hour, this is a considerable improvement from the 2010 position, when Lancashire ranked 29th. Lancashire is ranked the 3rd highest in the North West, after Cheshire and Warrington (5th nationally) and Liverpool City Region (17th nationally), and just ahead of Manchester (22nd nationally).

Over the 3 years of data we hold since 2015, Lancashire's productivity by Per Hour Worked has grown annually by 3.32%, which is the third highest annual growth rate of all LEP areas nationally.

1.3.4 Lancashire's GVA Per Filled Job stands at £49,717 as of 2018, which is the 22nd highest nationally, and 4th highest regionally. Cheshire and Warrington produce over £10,000 of output more per filled job, Liverpool produce £200 more per filled job, and Manchester £500 more per filled job). Lancashire's position nationally has improved by 10 places since 2010, and since 2015 Lancashire has grown this measure annually by 3.37%. Lancashire's 3.37% annual growth in GVA Per Filled Job since 2015 ranks it the second fastest growing nationally.

1.4 Jobs Density

1.4.1 Job density figures can reveal insight into Lancashire's economy. Jobs density is defined as the number of jobs in a geographic location (in this case, Lancashire) as a proportion of the resident working age population in the same geographic location (again, in this case, Lancashire). A jobs density figure of 1.0 would indicate that there is a job in the area for every working aged resident, but it is worth bearing in mind that the Great Britain (GB)

average is 0.87 and the North West average is 0.86. The GB rate provides a basis for comparison by which we can infer whether Lancashire has disproportionately fewer jobs locally than would be expected of the average LEP area.

1.4.2

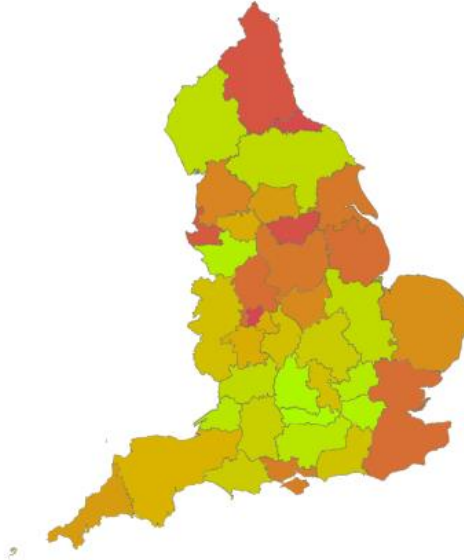


Figure 4: 2019 Job Density by LEP Area, 2019 Rank (Green = Dense with Jobs, Red = Less Dense with Jobs). Source: NOMIS, 2021

- 1.4.3 2019 Jobs Density (latest data) for Lancashire is 0.81, 0.5 below the North West and 0.6 below the GB average. Lancashire's job density is the 27th highest nationally and has improved since 2015 by 0.03 (from 0.78 to 0.81). Despite the improvement, Lancashire's job density has improved by less than the average improvement nationally (0.05), and consequently, Lancashire ranks 20th nationally for improvement in this metric, and 4th regionally, having a higher jobs density than only Liverpool City Region in the North West.
- 1.4.4 This would imply there are relatively fewer opportunities in the labour market to spread between the working age population that what would be typically expected nationally.
- 1.4.5 The location of major employment sites that attract commuters from outside of the area can be a major influence on this, and consequently there is considerable variation across the districts in Lancashire in the job density metric.
- 1.4.6 By way of example, Preston, Fylde and Ribble Valley all have job density figures approaching or above 1.0, as a consequence of large individual employment sites. Some examples include the presence of BAE at Samlesbury (Ribble Valley, this goes some way to explaining Ribble Valley's 0.98 jobs density in 2019), BAE's, Springfield Fuel's and Fox's Biscuits



presence in Fylde (which go some way to explaining Fylde's 1.03 job density), and all of the associated employers in Preston (1.1 job density).

1.5 Wages/Pay

1.5.1 Lancashire's median gross weekly pay in 2020 was £528.10, which was the 6th lowest nationally, though we have grown accustomed to higher rates of pay being concentrated in the South and particularly the South East and London, possibly as a consequence of the cost of living.

1.5.2

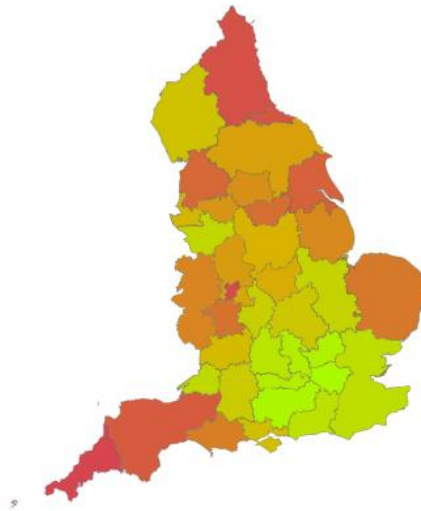


Figure 5: Median Gross Weekly Pay by LEP, 2020 (Green = Higher Pay, Red = Lower Pay). Source: NOMIS, 2021

1.5.3 In addition to Lancashire having the 6th lowest median gross weekly pay, it is also the lowest in the North West, which has been the case for the majority of the period since 2014, with the exception of the deviation in 2017 where it was joint lowest in the North West with Manchester at £517.50 weekly). In the North, only North East LEP and Humber LEP had a lower median gross weekly pay.

1.5.4 Lancashire worker's pay has averaged positive growth annually since 2015 at a rate of 1.95%, and compared to inflation (as measured by the consumer price index, and relative to 2015, i.e 2015 = 100), the average annual growth in pay would've been below Inflation in 2017 (2.7%) and 2018 (2.5%), and slightly above in 2019 (1.8%).

1.5.5 Lancashire's growth rate of 1.95% in this measure is the 17th highest of all LEP areas nationally, though below the GB rate of 2.01% growth and worker's did experience a reduction in median gross weekly wages from 2019 to 2020, which in the North West happened in only Cheshire and Warrington and Lancashire.



1.6 Employment and Unemployment

- 1.6.1 As of 2020, the official employment rate in Lancashire was 75.4% (this rate is for the 12 months in the 2020 calendar year), and is the 28th highest nationally. This rate has gone up 2.4% since 2015, and represents the 10th largest increase nationally, which is positive, though the rate remains below the overall UK rate of 75.4%, but above the North West rate of 74.2%. Of the 75% employed in Lancashire, 9.8% of them are believed to be self-employed (the equivalent of 98,500). Whilst the Employment rate is a useful measure, as is the unemployment rate, the nature of it being aggregated annually means in some scenarios we can get more insight on unemployment (official rate 3.4%, lower than the regional and national rate), by looking at Universal Credit Claimants (Claimant Count).
- 1.6.2 Looking at the Claimant Count allows us to get a monthly, local, approximation of those claiming unemployment support by age and gender. In Lancashire, the percentage of working age residents claiming universal credit was 3.7% pre-pandemic (March 2020), which was in-line with the North West rate, and 0.6% above the GB rate. Following the pandemic, joblessness increased substantially and as such, we saw a claimant count rate as high as 7.0% in May 2020, with the number of claimants almost doubling to 63,500. The percentage of people claiming universal credit has reduced as business conditions begin to return to normal, with the rate in Lancashire now (as of June 2021 data released in July 2021) down to 5.9%, the first time it has been below 6% since the start of the pandemic. Lancashire's 5.9% is 0.3 basis points below the North West rate, and 0.3 basis points above the GB rate.
- 1.6.3 In general, rate differs depending on the age of the worker, and pre-pandemic there were existing differentials, such that the rate for those aged 18-24 in Lancashire was 1.2% above the average for the general population, those aged 25-49 claimed at a rate 0.5% higher than the general population, and those aged 50+ claimed at a rate of 1% below the general population rate.
- 1.6.4 This has been exacerbated considerably by COVID19, and in May 2020, the rate for young people was 2.7% above the average rate, and for those aged 25-49 the rate was 1% above the average rate, those aged 50+ claimed at a rate 2% below the average rate.
- 1.6.5 Thus younger workers have been affected more severely than older, though clearly the wider rate has increased considerably over this time. As of June 2021, 8.1% of young people were claiming universal credit because of unemployment (3.2% higher than pre-pandemic), 6.8% for those 25-49 (2.6% higher than pre-pandemic), and 4.3% for those aged 50+ (1.5% higher than pre-pandemic).



1.6.6

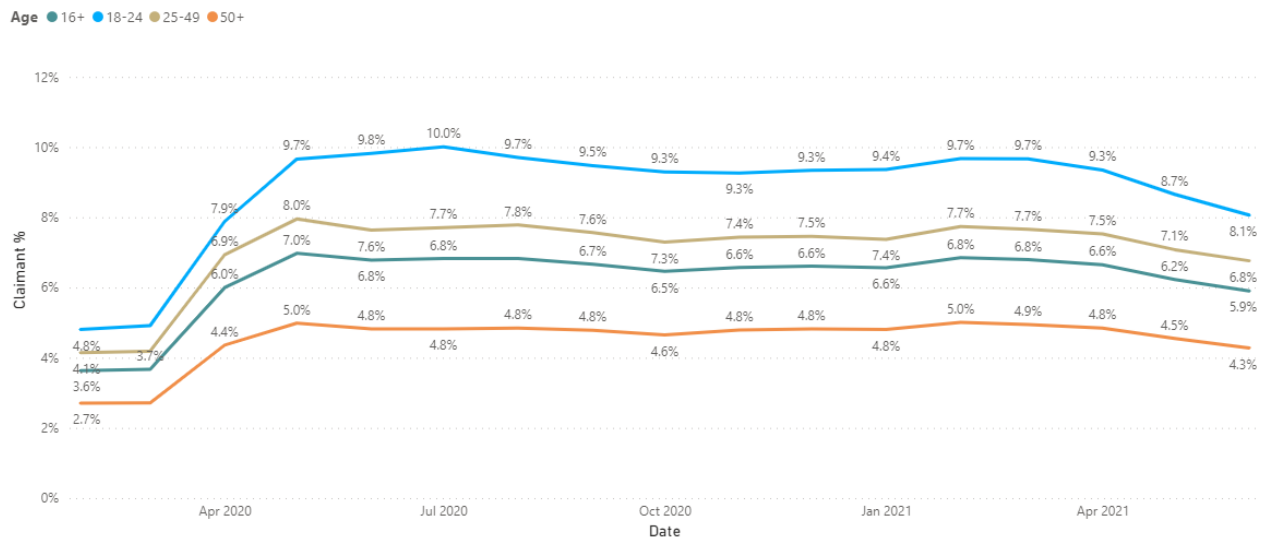


Figure 6: Claimant Count (%) in Lancashire Jan2020 to Jun2021, by age. 16+ is all ages and overall average. Source: NOMIS, 2021

1.7 Vacancies and Opportunities

1.7.1



Figure 7: Claimants Per Vacancy, Number of Universal Credit Claimants for every vacancy posted monthly in Lancashire. Source: Lancashire Enterprise Partnership Analysis of Burning Glass Vacancy Data and ONS Claimant Data, 2021.

1.7.2 Using online vacancy posting data from Burning Glass, we're able to gauge a relative measure of opportunity for Lancashire workers who might be searching for work. The data reveals vacancy postings online at record levels, and some insight into which sectors and occupations businesses are recruiting for. Vacancies posted monthly so far this year (latest data is for June 2021), have been higher than at any point in their equivalent months in 2019 and 2020, with over 17,000 posted in June 2021 alone, higher than any individual month in the last two years. Despite high vacancies posted, at points in the pandemic there were over 8.2 claimants to universal credit "competing" for every 1 vacancy posted in that month, compared to a pre-pandemic range of between 2.37 and 3.35 claimants per vacancy. The



number of claimants per vacancy metric is now beginning to fall, and as of most recent data sits at 3.15 claimants for every vacancy posted in June 2021, the lowest since January 2020, and bettered only by January, February and November in 2019. Despite opportunities appearing to be abundant, businesses such as those in the hospitality sector are still reporting difficulties in filling these vacancies.

1.8 Business Threats from COVID19 NHS Track and Trace Self-Isolation

1.8.1 Nationally there has been lots of coverage of employers suffering from staff needing to self-isolate, the so-called "Pingdemic", with news reports of over 600,000 workers nationally self-isolating at points in July 2021. Such data pertaining to local authority contact tracing alerts has been released by the NHS. For Lancashire, we can get a novel experimental view on the number of individuals identified as contacts of someone who has tested positive for COVID19 and may need to self-isolate as a result, meaning they're unable to attend work, which causes difficulties for business. This data has been released from October 2020 to the present day, and the most recent week's data suggests that over 10,000 individuals in Lancashire were notified of a close contact by the NHS COVID19 app in the week ending 14th July 2021, the highest of any week in the pandemic thus far, with almost 20,000 asked to self-isolate by this point in July, which compares to 28,304 notifications throughout the entirety of the second quarter of 2021 calendar year.

1.8.2

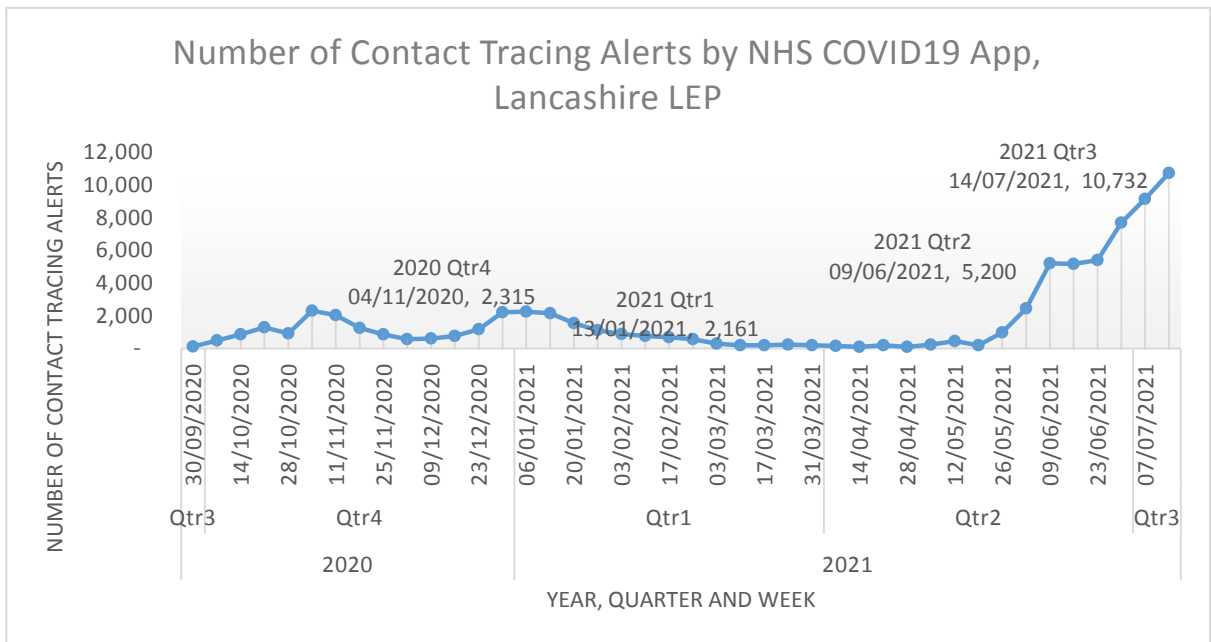


Figure 8: Number of Contact Tracing Alerts from NHS COVID-19 App in Lancashire, weekly. Source: NHS App Statistics

1.8.3 This adds to pressure already being felt by businesses in sectors where they're struggling to recruit staff, such as the hospitality sector, the added complexity of the existing base of staff having to self-isolate at some point has a significant impact.



1.9 The National Picture

1.9.1

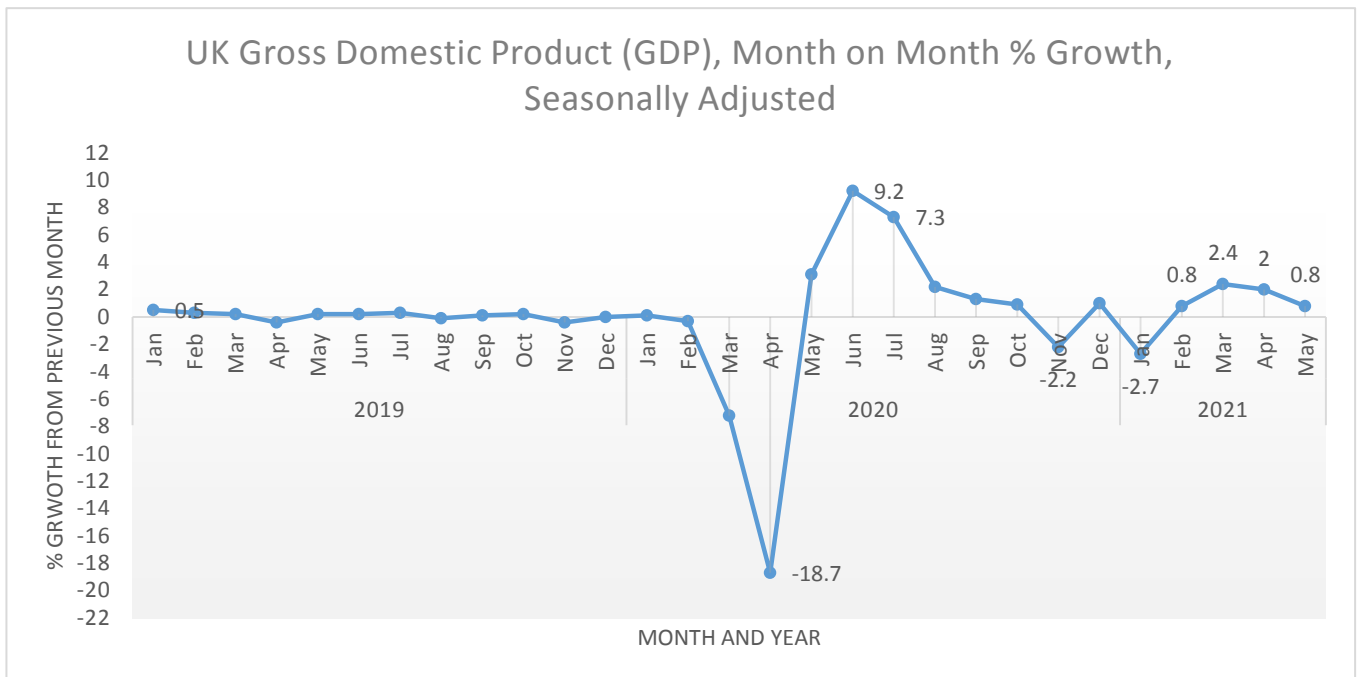


Figure 9: UK Gross Domestic Product, Month on Month Percentage Growth, Seasonally Adjusted. Source: ONS, 2021

1.9.2 The national picture is unchanged from the data published in the LEPs annual report, with the most recent quarter (2021 Q1) of Gross Domestic Product ~1.6% below the previous quarter's GDP. That being said, the ONS do now produce a monthly estimate of GDP, showing percentage change in output from the previous month. Since February, the economy has seen consecutive months of growth, to varying extents, with growth beginning to tail off since March (where output was 2.4% above February output), with May data being the latest view, a 0.8% growth in GDP from April.



1.9.3

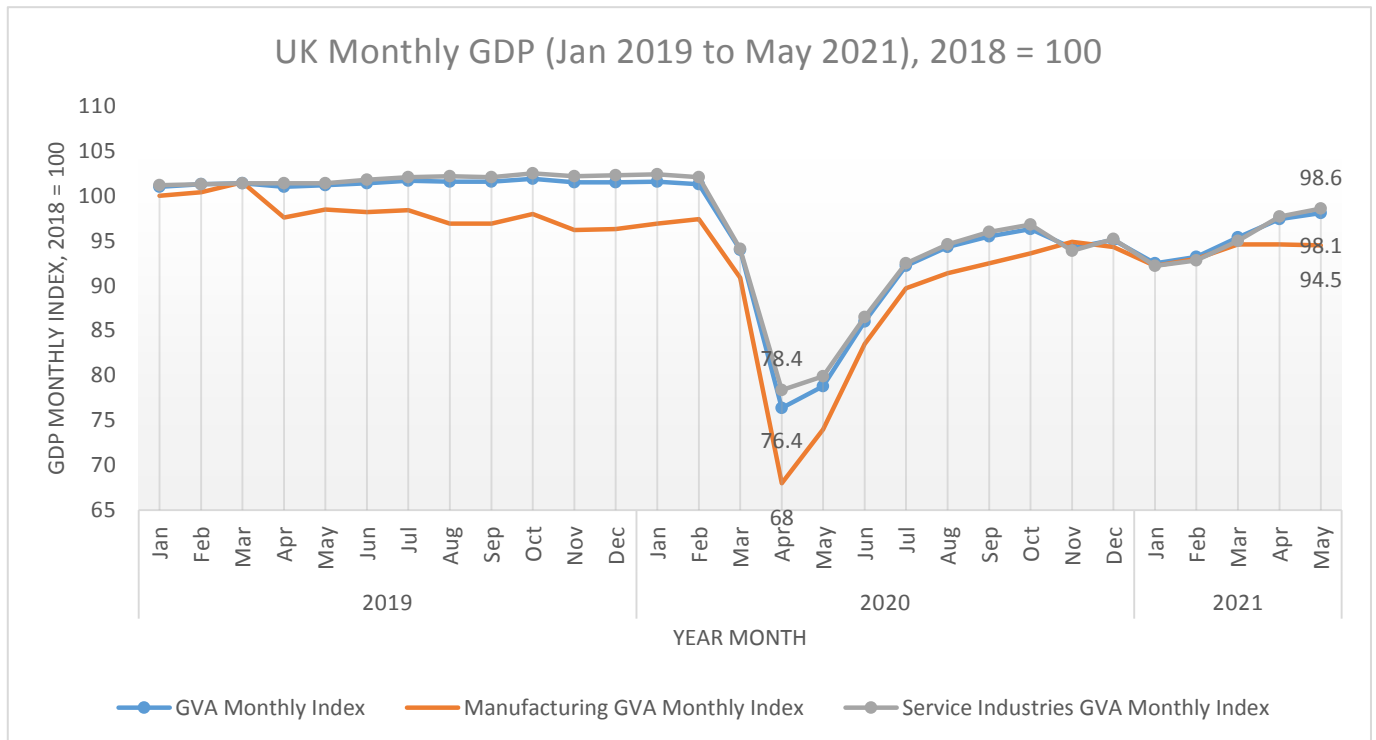


Figure 10: UK Monthly GDP Index (2018=100), Overall GDP, Service Sector output, Manufacturing Sector Output. Source: ONS, 2021

1.9.4 Despite improved growth in the national economy, as of May this year, the economy still stands 1.9% smaller than its 2018 levels, the closest the UK economy has been to parity with 2018 since the start of the pandemic. The recovery varies depending on the sector, and when grouping into Service sector and Manufacturing sectors, the results differ considerably. Manufacturing output in April 2020 was 32% lower than its 2018 levels, much lower than the service sector (which fell 21.6% from its 2018 levels). The gap between Manufacturing and Services (relative to their respective 2018 levels) did narrow and indeed achieved effective parity in January when both Manufacturing and Service sector output was around 8% below its 2018 levels, since March however, Service sector output has continued to grow closer to its 2018 level, whereas Manufacturing has remained static, and actually fallen by 0.1 basis point between March and May.

1.9.5 The Office for Budget Responsibility's (OBR) has developed various scenarios on the National Recovery. Pre-pandemic, their March 2020 forecast showed an expectation that the UK economy as measured by real GDP would be around 8% bigger in the first quarter of 2025 than it was in the final quarter of 2019. As the impact of the pandemic emerged, these scenarios were revised in November of 2020, with a central scenario showing the UK economy only 4.5% larger than its pre-pandemic level, with variation around that point. It's therefore expected that the economy will feel the effects of scarring from the impact of the pandemic for some time. Lancashire's challenge is to minimise that scarring by enhancing productivity and a return to growth in the region quickly. The challenges faced



will vary somewhat across Lancashire's districts as a consequence of their differing structural compositions, employment and business specialisms.

1.9.6

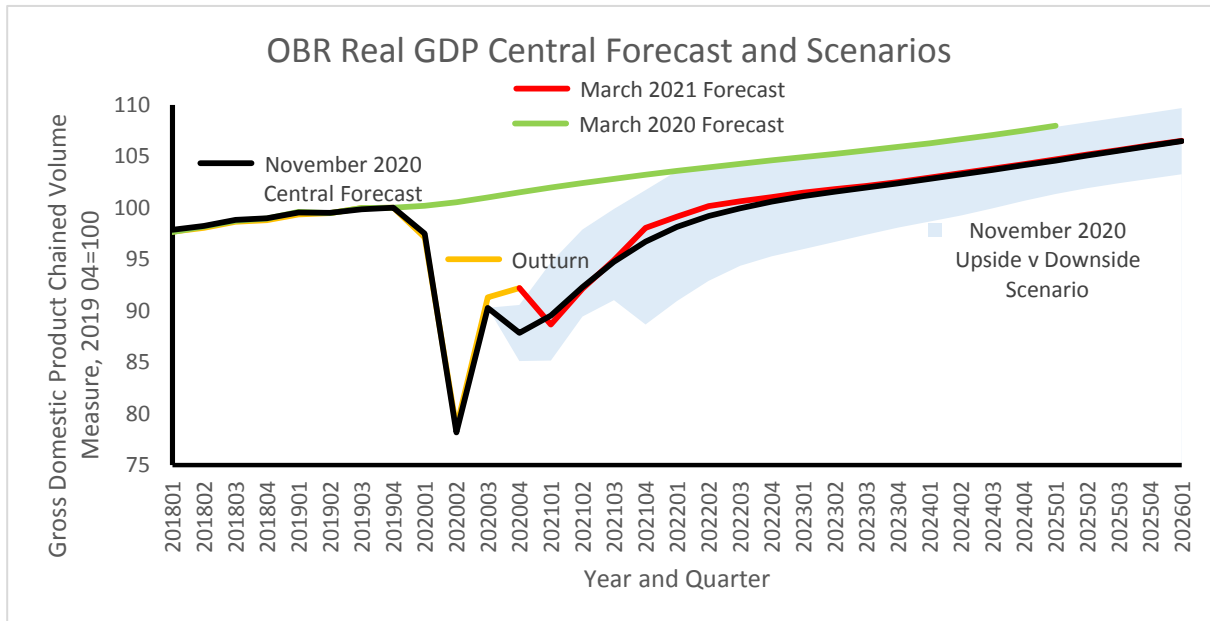


Figure 11: OBR Real GDP Central Forecast and Scenarios. Source: OBR Economic and Fiscal Outlook - March 2021

Summary

Lancashire is showing signs of recovery, through continuous steady drops in the number of individuals claiming unemployment support, and through a reduction in the number of individuals furloughed. The years before the pandemic show some signs of optimism in terms of growth in productivity, but the general size of Lancashire's economy is more slowly growing and varies across sectors.

List of Background Papers

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: Tuesday, 7 September 2021

Skills Policy and Careers Hub update

(Appendix 1 refers)

Report Author: Dr Michele Lawty-Jones, Director, Lancashire Skills & Employment Hub,
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Executive Summary

The paper provides an update on skills policy, relating to:

- The launch of the Skills Accelerator following the publication of the Skills for Jobs White Paper, and the securing of Local Skills Improvement Plan and Strategic Development Fund Trailblazers in Lancashire
- 'Plan for Jobs' and ongoing activity to coordinate programmes and projects in Lancashire
- The European Social Fund (ESF) programme, which is worth c£117m to Lancashire, and risks associated with the move towards the UK Share Prosperity Fund.

The paper also provides an update, following the paper to the board in June 2021 on funds for the Careers Hub and Enterprise Adviser Network.

Recommendations

1. The board are asked to note the contents of the paper, the funds secured to support skills and employment activity across the LEP area, and efforts in place to coordinate activity.
2. The board are asked to approve the acceptance of an increased offer of £117k grant from the Blackpool Opportunity Area Twinning Funds to enable further joint activity between Blackpool and Lancashire to share good practice, and continue to build the approach with localised employer networks subject to review of the final grant offer and associated terms and conditions by the Chief Executive and Section 151 Officer.



1.0 Skills for Jobs White Paper and launch of the Skills Accelerator

1.1 Background

1.1.1 The Skills for Jobs White Paper was published in January 2021. As previously reported, the White Paper sets out a range of reforms aimed at tackling skills gaps, which in turn will contribute to improved productivity and international competitiveness. A key aspiration was to place employers at the heart of defining local skills needs.

1.1.2 In April 2021, the Department for Education (DfE) launched the Skills Accelerator prospectus, inviting applications for trailblazers under two new initiatives outlined in the White Paper: Local Skills Improvement Plans (LSIPs) and Strategic Development Funding (SDF). It is intended that the trailblazers will run from September 2021 to the end of March 2022 and inform future government policy regarding the roll out of the aspirations outlined in the White Paper.

1.2 Local Skills Improvement Plans (LSIPs) and Strategic Development Fund (SDF)

1.2.1 The LSIPs, which build on the work of LEP and MCA Skills Advisory Panels, were open to employer representative bodies, with specific reference to Chambers of Commerce, working in collaboration with local colleges and providers. The trailblazers aim to test approaches to working with employer members to understand technical skills training needs within a local economic geography, with the intention that a collaborative plan be developed with providers to meet employer needs. It is intended that LSIPs will play into the review of the accountability of providers, particularly colleges in ensuring that their offer meets the needs of the local economy.

1.2.2 The SDF trailblazers, which were open to colleges working collaboratively across an economic geography, provide capacity building funds, both capital and revenue, to enable colleges to better meet local skills needs identified through local skills analysis. Ideally the SDF projects would follow the LSIPs, however the two trailblazers are being run in tandem.

1.2.3 It was intended that both trailblazers would address reskilling and upskilling challenges within the current workforce, including those presented through industrial digitisation, green growth and recovery from the pandemic, as well as help inform the needs of our future workforce.

1.3 Lancashire Trailblazers

1.3.1 Collaborative proposals were submitted on behalf of the three Lancashire-based Chambers by the N&W Lancashire Chamber of Commerce for the LSIP and by Myerscough College on behalf of The Lancashire Colleges (TLC) for SDF. The Lancashire Skills and Employment Hub supported the development of the proposals and a letter of support for each was provided by the LEP. The LSIP proposal was cross-sector, whilst the SDF proposal was



specifically focused on the skills challenges associated with Low Carbon and net zero ambitions, referencing the collaborative research recently undertaken with the Work Foundation which has helped to identify employer skills needs.

1.3.2 The two submissions were collaborative and articulated a collegiate response to addressing the skills challenges across the LEP area. Both submissions were successful. Lancashire is one of eight areas across the country which secured both the LSIP and SDF trailblazers (see here for the full list: <https://www.gov.uk/government/publications/skills-accelerator-trailblazers-and-pilots/skills-accelerator-local-skills-improvement-plan-trailblazers-and-strategic-development-fund-pilots>).

1.3.3 At the time of writing the paper, both the Chambers and TLC were in discussion with DfE regarding the grant offers, eligibility of funds and the scope of the grant funding agreements. A presentation will be provided by both to the Lancashire Skills and Employment Advisory Panel on September 8th, to enable a partnership approach, with the Skills Hub working collaboratively with the LSIP and SDF partnerships to share local labour market intelligence and support the success of the trailblazers.

2.0 Plan for Jobs

2.1 The 'Plan for Jobs' announcement proceeded the White Paper and outlined government's response to the pandemic to enable employers to retain employees and to move displaced individuals into employment. From the Coronavirus Job Retention Scheme – 'Furlough', to incentives to employers to recruit Apprentices, to investment in JobCentrePlus and swathes of new Work Coaches to Kickstart and Restart. The diagram in Appendix 1 provides an overview of the different programmes, by age range and by distance from the labour market.

2.2 It is fair to say that the complexity of the skills and employment policy environment, and the programmes available has become increasingly difficult to navigate – for providers and stakeholders, and most importantly employers and individuals.

2.3 The Skills Hub recognised this, and launched the microsite www.skillsforwork.info in July 2020 with partners. This built on the development of Escalate – a Lancashire search tool for programmes that support people into employment – including both ESF and mainstream provision. Since the launch, the Skills for Work website has received over 16,000 visits, with buttons dedicated to those on furlough, those facing redundancy, those seeking work and a button for 16-24 year olds recognising the specialist provision available. The website is a collaboration with over 50 partners.

2.4 The Adult and Employer Skills Forums have continued to meet virtually and have been pivotal in helping to coordinate and join the dots on existing provision and new programmes as they have gone live, working in partnership



with providers, stakeholders and DWP. Together Escalate has been updated and the microsite developed to the benefit of Lancashire residents. In addition, partners have worked together to develop proactive approaches to pivoting displaced people into new sectors and jobs – through, for example, Digital Bootcamps and Sector Skills Work Academy Programmes (SWAPs). At present there is a focus on hospitality, working in partnership with Marketing Lancashire, DWP and providers to provide SWAPs to support recruitment and fast track people into employment to help address the recruitment crisis.

2.5 A coordinated response through the Lancashire Redundancy Taskforce, chaired by the Skills Hub, has also enabled DWP, the National Careers Service and providers to come together to streamline communications with employers and to provide a joined-up service. This has tended to support larger redundancies; it has proved more difficult to get the message out to smaller organisations and to those businesses making smaller numbers of redundancies. In many cases HR1s have not resulted in the large-scale redundancies that were anticipated earlier on in the pandemic, which is positive.

2.6 As the furlough scheme ends there is a risk of increased demand, however data indicates that whilst furlough has decreased, the number of claimants has not increased, indicating that people are returning to work. Since February, the percentage of workers in Lancashire claiming Universal Credit due to unemployment has fallen consistently month on month, from 6.8% in February 2021, to 5.7% in July 2021. This has coincided with a consistent monthly reduction in the number of workers in Lancashire on furlough, from 97,000 in January to 37,700 in June (latest data) which is 6.1% of the employed population, with just over half of these furloughed full time.

3.0 European Social Funds (ESF)

3.1 ESF forms part of the programme of European Structural Investment Funds (ESIF), which is due to finish towards the end of 2023. A paper on the wider ESIF programme is a separate agenda item. The ESF programme has been significant in Lancashire and the Skills Hub has had a pivotal role in determining evidence-based priorities and having strategic oversight of delivery through the Adult and Employer Skills Forums, feeding into the Skills and Employment Advisory Panel and the ESIF Committee.

3.2 Three Strategic Partnership Managers have been funded through ESF projects (via the Education and Skills Funding Agency opt-in) and deployed to the Hub – one focused on Young People (and those who are at risk of or NEET – those not in education, employment and training), one on provision for unemployed Adults and one for Employers – working closely with the Growth Hub, Boost. Together they have brought together providers, partners and stakeholders to coordinate provision, ensure added value and to maximise impact.



- 3.3 The programme has grown to approximately £117m in Lancashire, with the Skills Hub securing an additional c£19m on top of the original allocation through the National Reserve Fund (unspent funds from other sub-regions). To the end of March 2021, 5,987 at risk of or NEET young people have been supported, and 20,717 unemployed and inactive adults. In addition, over 3,000 employers and more than 15,300 employees have benefited from provision aimed at reskilling and upskilling in line with business need. A number of new programmes have recently launched which aim to engage employers with technical education, and a programme aimed at boosting healthy workforces, recognising above average sickness absence rates which are impacting productivity.
- 3.4 Clearly there is a risk that provision for employers and residents will be lost as the programme winds down. The government are developing the 'replacement' domestic programme – the UK Shared Prosperity Fund (UKSPF) – which will aim to build on good practice and lessons learnt from the ESIF programme, whilst also contributing to the levelling up agenda, industrial digitisation, green growth and recovery from the pandemic. The Community Renewal Fund (CRF) was launched earlier in the year, with a focus on priority places – including 5 in wider Lancashire – and is positioned as a short programme that will help to inform the development of the approach to UKSPF. Feedback on applications from the three lead Authorities in Lancashire was imminent at the time of writing the paper.
- 3.5 There has been limited consultation from government on the proposed UKSPF, however it is anticipated that an allocation will be made in the spending review and a framework launched. The Skills Hub is working with a variety of partners to seek to influence the fund, both in terms of priorities and governance mechanisms.

4.0 Careers Hub and Enterprise Adviser Network

4.1 Background

- 4.1.1. A paper was presented to the board meeting in June 2021, outlining the grant offer from the Careers and Enterprise Company (CEC) to Lancashire for the coming academic year. The grant funding offer was reviewed and accepted, as per the approved recommendation in the paper and the contract extended with Lancashire's delivery partner, Inspira. The final 2 schools not previously engaged with the network have agreed to join, taking the Careers Hub and EAN to full coverage – all 156 secondary schools, including special schools and Alternative Providers, and colleges across Lancashire. A campaign is underway to recruit further business volunteers, Enterprise Advisers to support the new schools and to address churn resulting from the pandemic. Board members are asked to support and to make enquiries within their own business networks to encourage engagement through the Lancashire Skills Pledge: <https://www.lancashireskillshub.co.uk/lancashire-skills-pledge/> .



4.2 Research and Evaluation Projects

- 4.2.1 The paper also referenced applications to the CEC for two research and evaluation projects and approval was granted to accept funds subject to review of the grant offers and associated terms and conditions by the Chief Executive and Section 151 officer, including any related procurement considerations.
- 4.2.2 Both applications have been successful, with Lancashire being one of only two areas securing funds for both projects.
- 4.2.3 An incubation phase with the CEC is underway with view to launching the projects in the new academic year. This will include reviewing the grant offers, which will be variations to the main agreement referenced in 4.1.1.
- 4.2.3 As reported in the June paper, the first project is focused on testing approaches to supporting the effective transition of disadvantaged young people in Year 10 through to their post 16 destination in Year 12, to boost attainment, aspirations and reduce the risk of NEET (not in education, employment and training). The three models to be tested involve trained engagement coaches and extended work experience, and a combination of the two, with the project running for 2.5 years with a 'theory of change' evaluation model running alongside. The project will be steered by the Post 16 Officers Group, chaired by the Skills Hub, working collaboratively with Lancashire County Council and the two Unitary Authorities, the Lancashire Colleges, and the Lancashire Work Based Learning Forum, and updates provided to the Lancashire Skills and Employment Advisor Panel. The project evaluation will inform future strategy and policy regarding NEET prevention locally and nationally through joint dissemination with CEC.
- 4.2.4 The second project aims to trial and test activities that boost the interest of females in digital careers in Year 8 and engagement in Computer Science at GCSE and STEM subjects more widely, as a first step towards a digital career – recognising that Lancashire has an ageing digital workforce, and that only one in six are female. The project will run for one year and evaluate different approaches to engaging young people through a range of career oriented digital programmes and activities. The project will feed into the Lancashire Digital Skills Partnership Steering Group and updates provided to the Lancashire Skills and Employment Advisor Panel. The project will inform our future strategy in Lancashire and the work of the Digital Skills Partnership, Careers Hub and STEM Learning, as well as feed into a national dissemination programme to inform future DfE careers policy.

4.3 Blackpool Opportunity Area Twinning Fund

- 4.3.1 As reported in the June paper, negotiations were underway with the Blackpool Opportunity Area and the DfE in relation to Twinning Funds to support good practice regarding careers provision across Blackpool and wider Lancashire. Funds will enable the future development of the digital platform 'Start in Lancashire' and build engagement with business networks across the area.



- 4.3.2 An estimate of £55k was provided in the paper, however, the final figure is £117,000. The additional funds will enable targeted careers activities with young people who are at risk of NEET in secondary schools.
- 4.3.3 The board are asked to approve the acceptance of the grant from the Blackpool Opportunity Area Twinning Funds to enable further joint activity between Blackpool and Lancashire to share good practice, and continue to build the approach with localised employer networks subject to review of the final grant offer and associated terms and conditions by the Chief Executive and Section 151 Officer.

List of Background Papers

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A

Plan for Jobs – Overview of Initiatives

This diagram shows the initiatives outlined in the 'Plan for Jobs' paper highlighting the age group and distance from the labour market for each initiative



Initiatives for Adults

Sector Based Work Academy Programme (SWAP) - pre-employment training / work experience placement / a guaranteed job interview. DWP programme targeted at reskilling individuals to move directly into jobs

The Work and Health Programme – the programme in Lancashire has had over 3,400 starts since it started in November 2017 with approximately 1,600 of these gaining employment. Supports adults with barriers and health issues

Restart – enhanced employment and skills support to move people into jobs, targeted at people 12+ months unemployed. £2.9 billion across the UK. G4S awarded contract for CPA3a (Lancashire, Cheshire & Warrington, Cumbria and Liverpool)

Job Entry Targeted Support - JETS - for those in receipt of benefits for at least 13+ weeks. Targeted at individuals who are motivated to find work immediately. Has achieved 4,722 starts and has progressed 2,349 people into work so far

Job Finding Support Service - online, service for those less than three months unemployed

Bootcamps- offer free, flexible courses of up to 16 weeks for adults aged 19 or over and who are either in work or recently unemployed. They give people the opportunity to build up sector-specific skills and fast-track to an interview with a local employer

Initiatives for All Ages

Apprenticeship Incentives - Employers can apply for a payment of £3,000 for new apprentices of any age who have an employment start date of 1 April 2021 to 30 September 2021. The incentive payment is in addition to the £1,000 employers receive for hiring an apprentice: aged 16 to 18 years old, those aged 19 to 24 with an education, health and care plan or who has been in the care of their local authority

DWP doubled the number of **Work Coaches**

National Careers Service – Careers advice and guidance available for people from 13+, including in-work support. This is a digital first service, with the 0800 number now manned by local partners to support improved knowledge of the area. A targeted face to face service is available to adults in certain target groups

The Furlough scheme (**Coronavirus Job Retention Scheme**) has been extended until 30th September 2021.

Initiatives for Young People

High value courses for school and college leavers - one year offer for 18 and 19 year olds to encourage and support delivery of selected level 2 and 3 qualifications in specific subjects/sectors

Kickstart - high quality 6-month work placements aimed at those aged 16-24 who are on Universal Credit and are deemed to be at risk of long-term unemployment, primarily individuals who have been 6+ months unemployed (starts due to finish in December 2021)

Traineeships - the government will fund employers who provide trainees with work experience, at a rate of £1,000 per trainee to a maximum of 10 trainees per employer.

Distance from the Job Market

Furthest Away

Closer with Some Barriers

Close

In Work



Lancashire Enterprise Partnership Limited

Private and Confidential: No

Date: Tuesday, 7 September 2021

The Role of European Structural Investment Funds in promoting Economic Development Activity in Lancashire (Appendix 1 Refers)

**Report Author: Andy Walker, Tel: 01772 535629,
andy.walker@lancashire.gov.uk**

Executive Summary

This report details the scale and spread of investment which has been provided to part-resource and pump-prime economic development activity in Lancashire by European Structural and Investment Funds (ESIF). The report details focus and spend of funds since 2014 (the last ESIF programme) but European structural funds have been a feature of economic and regeneration activity in Lancashire for over 30 years.

The latest programme (since 2014) totalled £230m and has contributed to capital projects and revenue programmes in key economic themes including, skills development, employment, social inclusion, innovation, ICT, SME competitiveness, Low Carbon activity with business, Climate Change and support to rural businesses and communities.

Key LEP investment priorities including Lancaster's Health Innovation Campus, the Engineering Innovation Centre at UCLAN, Edge Hill's Productivity and Innovation Centre and the AMRC have all enjoyed some capital or revenue contributions to their activity as have major activity programmes for the Growth and Skills Hubs.

Following European Union exit, the expectation is that the UK Shared Prosperity Fund, originally announced by government in 2020 will be positioned to cover some of this activity. The detail and management arrangements for the new fund are yet to be announced.

Recommendation

The Board are recommended to note this report and use lobbying opportunities, through bodies such as the LEP Network, to ensure that Lancashire retains a similar level of investment and determination over the use of this resource in the future.



Background and Advice

The report highlights the success of the ESIF programme in supporting priority activity and the need to ensure that any changes to the ESIF programme, and/or creation of a successor programme, continue to support existing activity.

As reported at previous meetings the Government established a National (England) Growth Programme for EU funding over the period 2014-20, overseen by a National Growth Board. The Growth Programme is based upon an UK wide agreement with the European Commission (EC) until 2020.

The Growth Programme includes the European Regional Development Fund (ERDF), European Social Fund (ESF) and a proportion of European Agricultural, Farming and Rural Development Fund (EAFRD). The EU Growth Plan is worth approximately £5bn in England, with Lancashire having an original indicative allocation of £231m (6th largest allocation in England). Allocations are made in Euros from the EC and therefore the sterling value is subject to Exchange rate fluctuations.

In order to access this funding all LEPs submitted a European Structural and Investment Funds (ESIFs) Strategy, in advance of the 3 Operational Programmes for the funds that make up the ESIF programme being agreed. The national ESIF programme was finally launched in 2015, over a year after the original start date.

The Lancashire ESIF programme was designed to support key local priorities and operation in conjunction with/complement other funding streams and investments. Any changes/withdrawal will have an impact on the ability of Lancashire to achieve its strategic objectives and deliver key outputs. The delivery of the ESIF programme remains in the control of the 3 Government Departments managing the Operational programmes

- ERDF – Department for Communities
- ESF – Department for Work and Pensions
- EAFRD – Department for the Environment, Farming and Rural Affairs.

LEP area sub committees of the National Growth Board provide advice on calls, project assessments (local strategic fit) and performance management as well as overseeing project pipeline development. In Lancashire this work is undertaken by the Lancashire ESIF Committee, whose membership was nominated by the LEP Board, with the Committee reporting to the National Growth Board.

Lancashire's original £231m allocation was split; £137m ERDF, £90m ESF and £4m EAFRD based upon a Euro Exchange Rate of £0.8562. It was agreed by Government that the Exchange Rate would be reviewed on a six-monthly basis. As a result of the last Exchange Rate review the indicative allocation to Lancashire reduced to £211m; ERDF £124m, ESF £82m, EAFRD £4.2m, of which only £198m (94%) can be committed (the remaining funds can only be accessed when certain targets are met).



In order to draw down the ESIF allocation project providers need to provide a minimum of 40% of match funding which, at the current exchange rate, makes the programme worth at least £351m.

A mid-term Exchange Rate review increased the value of the Lancashire programme to nearly £250m.

The national ESIF programme contains 25+ main outputs, with the key Lancashire ones being;

Output	Target
Productive investment: Number of enterprises receiving support	9,800
Productive investment: Number of new enterprises supported	2,859
Research, Innovation: Number of enterprises supported to introduce new to the market products	160
Research, Innovation: Number of enterprises supported to introduce new to the firm products	974
Green House Gas reduction: Estimated annual decrease of GHG	33,166
Number of researchers working in improved research or innovation facilities	44
Research, Innovation: Number of enterprises cooperating with research institutions	403
Businesses and properties with reduced flood risk	1,365
Total Training and Employment Participants	69,350

In response to the allocation of targets to Lancashire ESIF programme, the ESIF Committee felt that some did not meet Lancashire's economic needs and/or were not achievable. In particular, it was felt that

- the allocation to the Research and Innovation priority was too small given Lancashire's aspirations in this area and priorities set out in the ESIF Strategy (the Lancashire allocation was below the national average)



- the targets for the ICT priority did not take into account Lancashire's progress on the delivery of Superfast Broadband Infrastructure
- The allocation to the Low Carbon priority was too high (above the national average) and should be swapped to the Research and Innovation and Climate Change (Flood Mitigation) priorities to support other projects of greater local significance. The latest National Growth Board papers indicate that the performance of the Low Carbon priority is a concern across a number of LEPs in the North of England.

However, there was no significant movement in the Lancashire allocation or targets as a result of the submission although it was indicated that some changes would be considered at the mid programme review in 2018.

Lancashire ESIF Programmes post EU Exit

Initial concerns that the EU Exit could put significant parts of the local ESIF programme at risk were unfounded and the UK government stepped in and not only honoured existing commitments but permitted projects to be extended into mid 2023 to allow for a transition to the emerging UK Shared Prosperity Fund (SPF). Most Lancashire programmes took advantage of this opportunity and continue to run their programmes.

In addition for ESF, applications to the 'National Reserve Fund' (funds unallocated from other sub-regions) submitted by the Skills Hub were successful resulting in additional calls and locally matched projects – the ESF programme is now worth c£117m as a result (see the more detailed commentary on European Social Fund ESF in the Skills Policy Paper).

Reflecting on the use of ESIF and preparations for the Shared Prosperity Fund

The summary presented in this report, appendix and the accompanying presentation are designed to give the LEP Board an opportunity to reflect on how ESIF might effectively transition into UKSPF and the changes in approach we might look to actively shape as the new programme emerges.

Whilst ERDF, ESF and EAFRD programmes all operate differently in terms of commissioning and match, Appendix 1 illustrates a dichotomy with relatively few organisations set up to bid and deliver programmes but a spread of activity in priority themes which can be very similar and confusing for businesses or individuals who are trying to navigate this landscape. Within ERDF programmes, this is particularly driven by the need for projects to have match funding to leverage grant funds.

As per the prior commentary, the allocation of funds across priorities was a top down activity driven at the national level and attempts to redistribute funds to match local priorities have taken significant amounts of time to pursue and resulted in only minimal changes.

The calls for applicant projects were also controlled by the national programme, though some areas gained control of this element of the process as part of their devolution deals.



For ESF, many programmes were matched at source by 'opt-in' agencies, including the Department for Work and Pensions (DWP), the Education and Skills Funding Agency (ESFA) and the Big Lottery (approximately 65% of the programme). Whilst this removed the necessity for local match and enabled a number of large-scale programmes, there were constraints on activity and local control as programmes were driven largely by the opt-ins. In Lancashire the Skills Hub have been diligent in ensuring that these large programmes did provide local capacity in the form of local strategic partnership managers to coordinate activity with local partners, to align priorities with the Lancashire Skills and Employment Strategic Framework and to ensure added value. The development of the Lancashire Skills Escalator model has helped to join the dots on ESF and mainstream provision, maximising impact for local residents and employers.

Moving forward it would be ideal to further simplify this landscape for both ERDF and ESF programmes. Potentially County Deals offer an opportunity to ask for more local control within the commissioning and allocation policy and Lancashire is well placed with the strategic work of the LEP and the emerging Greater Lancashire Plan, to clearly articulate its priorities for local investment.

List of Background Papers

Paper	Date	Contact/Tel
ESIF Programme	2019	Andy Walker

Reason for Inclusion in Part II, if appropriate

N/A

APPROVED PROJECTS (Contracted projects & opt-ins)					Priority Axis						1		2		Bus Dev	Food Pro	Tourism Infra	Bus Dev		
					Description					Innov	ICT	SME Comp	Low Carbon	Climate Change					Enviro	Employment
Project	Fund	Lead Organisation	Designation	Status								1.1	1.2	1.4	2.1	2.2	Rnd 1	Rnd 2	Rnd 2	Rnd 2
1	ESFA Skills Support for the Unemployed	ESF 1.1	ESFA	Opt-In	Contracted - Live							6.72								
2	ESFA Skills Support for the Unemployed	ESF 1.1	ESFA	Opt-In Extension	Contracted - Live							4.89								
3	ESFA Support for Young People (NEET)	ESF 1.2	ESFA	Opt-In	Contracted - Live								4.87							
4	ESFA Support for Young People (NEET)	ESF 1.2	ESFA	Opt-In Extension	Contracted - Live								2.02							
5	ESFA Community Grants	ESF 1.4	ESFA	Opt-In	Contracted - Live									1.00						
6	ESFA Skills Support for the Workforce	ESF 2.1	ESFA	Opt-In	Contracted - Live										18.44					
7	ESFA Skills Support for the Workforce	ESF 2.1	ESFA	Opt-In Extension	Contracted - Live										6.77					
8	National Lottery Community Fund BBO	ESF 1.4	NLCF	Opt-In	Contracted - Live									7.50						
9	National Lottery Community Fund BBO (Extension)	ESF 1.4	NLCF	Opt-In Extension	Contracted - Live									3.50						
10	DWP Journey2work	ESF 1.1	DWP	Opt-In	Contracted - Live							3.00								
11	DWP Journey2work	ESF 1.1	DWP	Opt-In Extension	Contracted - Live							1.58								
12	Total Opt-Ins					0.00	0.00	0.00	0.00	0.00	0.00	16.18	6.88	12.00	25.21	0.00	0.000	0.000	0.000	0.000
13	Employment & Mental Health Integration	ESF 1.1	Blackpool Council	Approved Project	Contracted - Live							0.68								
14	Strengthening Communities	ESF 1.4	Blackburn WDBC	Approved Project	Contracted - Live									1.21						
15	MyPlace	ESF 1.4	Lancashire Wildlife Trust	Approved Project	Contracted - Live									0.67						
16	WorkFit Women	ESF 1.4	Lancs Women's Centres	Approved Project	Contracted - Live									0.46						
17	More Positive Together	ESF 1.4	Active Lancashire	Approved Project	Contracted - Live									4.02						
18	More Positive Together Phase 2	ESF 1.4	Active Lancashire	Approved Project	Approved Project									3.00						
19	Leading Lancashire	ESF 2.1	UCLan	Approved Project	Contracted - Live										4.70					
20	Upskilling Lancashire	ESF 2.2	UCLan	Approved Project	Contracted - Live											2.94				
21	Learning Engagement Lancashire	ESF 2.1	UCLan	Approved Project	Approved Project										3.16					
22	Employer Engagement for Skills (EnginE)	ESF 2.2	Lancaster University	Approved Project	Contracted - Live										1.38					
23	UCLan Innovation Clinic (Incl. continuation)	ERDF P1	UCLan	Approved Project	Contracted - Live	2.53														
24	Innovation Clinic (Continuation)	ERDF P1	UCLan	Approved Project	Approved Project	0.60														
25	DigitME2 (Incl. continuation)	ERDF P1	UCLan	Approved Project	Contracted - Live	2.17														
26	DigitME2 (Continuation)	ERDF P1	UCLan	Approved Project	Approved Project	0.59														
27	Engineering Innovation Centre	ERDF P1	UCLan	Approved Project	Contracted - Live	5.80														
28	Productivity and Innovation Centre	ERDF P1	Edge Hill University	Approved Project	Contracted - Live	0.59														
29	Health Innovation Campus (HIC)	ERDF P1	Lancaster University	Approved Project	Contracted - Live	8.46														
30	Health Innovation Campus (Continuation)	ERDF P1	Lancaster University	Approved Project	Approved Project	1.35														
31	Lancashire Cyber Foundry	ERDF P1	Lancaster University	Approved Project	Contracted - Live	1.57														
32	Next Generation Chemistry Hub	ERDF P1	Lancaster University	Approved Project	Contracted - Live	2.64														
33	AMRC NW (Lancashire) Revenue Programme	ERDF P1	Uni of Sheffield AMRC	Approved Project	Contracted - Live	2.50														
34	Lancashire Innovation Drone Zone	ERDF P1	UCLan	Approved Project	Approved Project	0.94														
35	Digital Plus	ERDF P2	UCLan	Approved Project	Contracted - Live		1.20													
36	Digital Plus (Extension)	ERDF P2	UCLan	Approved Project	Approved Project		0.37													
37	Boost Business Lancashire	ERDF P3	LCC	Approved Project	Contracted - Live			3.45												
38	Boost Business Lancashire (Boost 3)	ERDF P3	LCC	Approved Project	Contracted - Live			3.65												
39	Boost Business Lancashire (Continuation)	ERDF P3	LCC	Approved Project	Approved Project			1.91												
40	Access to Finance (Incl. continuation)	ERDF P3	GMBS	Approved Project	Contracted - Live			0.87												
41	Access to Finance (Continuation)	ERDF P3	GMBS	Approved Project	Approved Project			0.50												
42	Pan-LEP Specialist Manufacturing Service	ERDF P3	GMBS	Approved Project	Contracted - Live			0.45												
43	Pan-LEP Specialist Manufacturing Service (Cont)	ERDF P3	GMBS	Approved Project	Contracted - Live			0.70												
44	Pan LEP Specialist Manufacturing Service (Cont)	ERDF P3	GMBS	Approved Project	Approved Project			1.29												
45	High Growth Potential Propel to Grow (Incl. cont)	ERDF P3	Vedas	Approved Project	Contracted - Live			2.24												
46	Digital First	ERDF P3	UCLan	Approved Project	Contracted - Live			0.96												
47	Investment Readiness (Incl. continuation)	ERDF P3	UCLan	Approved Project	Contracted - Live			1.38												
48	Investment Readiness (Continuation)	ERDF P3	UCLan	Approved Project	Approved Project			0.29												
49	UNITE+	ERDF P3	UCLan	Approved Project	Contracted - Live			1.04												
50	U Start (Continuation)	ERDF P3	Lancaster University	Approved Project	Approved Project			0.68												
51	Better Off in Business	ERDF P3	Princes Trust	Approved Project	Contracted - Live			0.13												
52	Enhancing SMEs International Trade Performance	ERDF P3	Chamberlink	Approved Project	Contracted - Live			0.68												

APPROVED PROJECTS (Contracted projects & opt-ins)					Priority Axis						1		2		Bus Dev	Food Pro	Tourism Infra	Bus Dev		
					Description					1 Innov	2 ICT	3 SME Comp	4 Low Carbon	5 Climate Change					6 Enviro	Employment
Project	Fund	Lead Organisation	Designation	Status																Rnd 1
53	U Start (Incl. continuation)	ERDF P3	Lancaster University	Approved Project	Contracted - Live			2.32												
54	UNITE Plus (Continuation)	ERDF P3	UCLan	Approved Project	Approved Project			0.52												
55	Lancashire Forum (Incl. continuation)	ERDF P3	Lancaster University	Approved Project	Contracted - Live			3.35												
56	Lancashire Forum (Continuation)	ERDF P3	Lancaster University	Approved Project	Approved Project			0.79												
57	Digital Office Park	ERDF P3	Chorley Council	Approved Project	Contracted - Live			3.87												
58	Building Capacity & Capability Health Businesses	ERDF P3	Innovation Agency	Approved Project	Contracted - Live			0.76												
59	Transmission	ERDF P3	UCLan	Approved Project	Contracted - Live			0.53												
60	Lancashire Health Matters	ERDF P3	UCLan	Approved Project	Contracted - Live			1.42												
61	Lancashire Health Matters (Continuation)	ERDF P3	UCLan	Approved Project	Approved Project			0.46												
62	Lancashire Urban Development Fund (UDF)	ERDF P3	LCC	Approved Project	Contracted - Live			20.00												
63	Enhancing SMEs International Trade Performance	ERDF P3	Chamberlink	Approved Project	Approved Project			0.12												
64	Productivity and Innovation Centre	ERDF P3	Edge Hill University	Approved Project	Approved Project			0.84												
65	RADAR	ERDF P3	Uni of Sheffield AMRC	Approved Project	Approved Project			2.32												
66	MediComm NW	ERDF P3	UCLan	Approved Project	Approved Project			1.13												
67	Northern Powerhouse Export Grant Scheme	ERDF P3	DIT	Approved Project	Approved Project			2.40												
68	Northern Powerhouse Investment Fund (NPIF)	ERDF P3&4	BBFS	Approved Project	Contracted - Live			8.50	4.00											
69	Low Carbon Lancashire Innovation Hub (LoCaL-i)	ERDF P4	Lancaster University	Approved Project	Contracted - Live				3.06											
70	REDCAT	ERDF P4	East Lancs Chamber	Approved Project	Contracted - Live				1.90											
71	REDCAT 4 (Continuation)	ERDF P4	East Lancs Chamber	Approved Project	Approved Project				1.78											
72	Making Carbon Work (MaCaW)	ERDF P4	UCLan	Approved Project	Contracted - Live				0.73											
73	Making Carbon Work (MaCaW) (Continuation)	ERDF P4	UCLan	Approved Project	Approved Project				1.18											
74	Domestic Low Carbon Community Energy Solutions	ERDF P4	Together Housing Assoc	Approved Project	Contracted - Live				0.98											
75	Cutting the Carbon: Carbon innovation flood defence	ERDF P4	Environment Agency	Approved Project	Approved Project				1.26											
76	ECO-I North West	ERDF P4	Lancaster University	Approved Project	Approved Project				2.20											
77	Grange Park Garden Estate	ERDF P4	Blackpool Council	Approved Project	Approved Project				1.21											
78	Renewable Heat & Power New Build Social Housing	ERDF P4	Together Housing Assoc	Approved Project	Approved Project				1.06											
79	Earby Flood Resilience Scheme	ERDF P5	Pendle Borough Council	Approved Project	Contracted - Live					0.64										
80	Lancaster Caton Rd Flood Risk Scheme	ERDF P5	Lancaster City Council	Approved Project	Contracted - Live					3.85										
81	Riversway & Broadgate Flood Risk Scheme	ERDF P5	LCC	Approved Project	Contracted - Live					6.53										
82	Padiham Flood Risk Management Scheme	ERDF P5	Burnley Borough Council	Approved Project	Approved Project					0.70										
83	Brilliance	ERDF P6	The Rivers Trust	Approved Project	Contracted - Live						0.63									
84	Finsley Gate Canal Corridor	ERDF P6	Canal & River Trust	Approved Project	Contracted - Live						0.53									
85	Primrose Lodge Blue and Greenway Project	ERDF P6	Ribble Catchment CT	Approved Project	Contracted - Live						0.50									
86	Lomeshaye Ind Est Extension Green & Blue Infra	ERDF P6	Pendle Borough Council	Approved Project	Contracted - Live						0.57									
87	Opening Up the River Douglas	ERDF P6	Ribble Catchment CT	Approved Project	Approved Project						0.55									
88	Round 1 Business Development - 4 Projects	EAFRD	-	Approved Project	Contracted - Live										0.334					
89	Round 2 Food Processing - 4 Projects	EAFRD	-	Approved Project	Contracted - Live											1.553				
90	Round 2 Tourism Infrastructure - 6 Projects	EAFRD	-	Approved Project	Contracted - Live												0.614			
91	Round 2 Business Development - 2 Projects	EAFRD	-	Approved Project	Contracted - Live													0.300		
92	Total Contracted Projects					29.74	1.57	69.54	19.35	11.71	2.78	0.68	0.00	9.35	7.86	4.32	0.334	1.553	0.614	0.300
93	TOTAL APPROVED (£million)					29.74	1.57	69.54	19.35	11.71	2.78	16.86	6.88	21.35	33.07	4.32	0.334	1.553	0.614	0.300
94	% of total allocation					95%	111%	88%	96%	100%	96%	89%	82%	107%	79%	75%	100%	62%	112%	33%



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: Tuesday, 7th September 2021

LEP - Programmes Update Report
(Appendices 'A' to 'M' refers)

Report Author: Anne-Mare Parkinson, anne-marie.parkinson@lancashirelep.co.uk

Executive Summary

This report provides the Lancashire Enterprise Partnership (LEP) Board with high level updates for each of the LEP programmes.

Recommendation

The Lancashire Enterprise Partnership (LEP) is asked to note the contents of this report.

BACKGROUND AND ADVICE

The purpose of this report is to provide Members of the Board with a single high-level programme report, including an update on each of the LEP programmes, with the aim to:

- Provide regular and consistent updates across all programmes, which can be used when Members are promoting / engaging / conducting LEP business.
- Recognise, appreciate and explore the synergies / linkages between programmes to allow a more holistic delivery model.
- Allow members to make individual programme decisions in the context of the complete portfolio of Programmes.
- Assurance of the Performance of individual programmes for which the LEP is accountable to government for.
- Identify any programme risks and agree remedial actions.

PERFORMANCE

Programme Update Reports

Please find attached at Appendices A–L updates for each of the LEP programmes as detailed below:

- Boost – Lancashire Business Growth Hub
- City Deal
- Enterprise Zones X 4
- Getting Building Fund
- Growing Places
- Growth Deal
- Inward Investment (This appendix is Private and Confidential and will be discussed under Part II of the agenda)
- Lancashire Skills and Employment Hub



➤ Social Value

Key Performance Indicators

The table below contains the combined current core KPIs for all the LEP programmes as sourced from the individual reports (Appendices A-L). Data is as at Qtr. 4 2020/21 (31st March 2021). Please refer to the individual programme reports and risk register, as contained in the appendices to this report, for the current performance and risk for the individual programmes.

Key Performance Indicator - Programmes Combined

Key Performance Indicator	Actuals	Forecast	% Achieved
Capital Funding Invested £m	£286.20	£307.10	93%
Private Sector Investment £m	£201	£431	47%
Other Investment £m	£411	£817	50%
Housing Units	11991	22326	54%
Jobs Created / Jobs Safeguarded / Apprentices	29,836	43,105	69%
Commercial floor space constructed or refurbished (sqm)	432,121	951,226	45%
New or Resurfaced Road (km)	5	5	100%
New or improved cycle ways (km)	20.57	28.1	73%
New or Improved Training learning facility (sqm)	42963	42969	100%
Additional Leavers leading to qualification (up to L4)	11853	10793	110%
Enterprises or Businesses receiving support (SME)	4644	6217	75%
Specialist Equipment	118	117	101%
New products to Market	40	40	100%
Social and Economic Value Impact £m	£31.10	N/A	N/A

In respect to the above table please note:

- Growing Places, Warton EZ and Social Value programmes – Whilst the programmes have reported 'actuals' which are included in the table above, they do not currently have 'targets' to measure performance against.
- Lancashire Skills and Employment Hub programme - As a strategic unit, gathering local labour market intelligence to identify skills and employment priorities, the programme is not measured against the KPIs within the table above. Please refer to programme report for performance data.
- Inward Investment programme – The 'actuals' within the report are not included in the table above as these have been achieved through the wider partnership working.
- Double Counting - Some of the programmes crosscut, as such there is the potential for double counting of KPI 'actuals', when combining all the programmes. An exercise has been undertaken to remove the duplicates.
- Reporting Period – Programmes performance periods range from 2013 – 2041.
- Programme review – It is anticipated, as an outcome of the Programme Review, that additional KPIs may be identified within programmes to report against.

Key Performance Indicators Dashboard

As members may recall a draft 'Dashboard' and set of 'LEP KPIs', were previously circulated to Members for comment.



It was advised these would be finalised, later this year, upon completion of the individual programme reviews, and also in the context of the LEPs strategic ambitions. This work will also consider the outcome of governments review of LEPs nationally, and local strategies which are emerging e.g. Growth Plan, Internalisation Strategy, GLP etc.

Programme Reviews

As previously reported, the LEP Investment Programme Manager is currently undertaking a review of each of the LEP programmes. The objective of the review is to act as a critical friend, establish programme baseline, in order to seek a pattern of continuous improvement, to inform current and future delivery and direction.

The reviews are undertaken in consultation with the Programme Lead, the respective LEP Sub-Committee Chair and the LEP CEO.

The Programme Review findings, including actions and recommendations, from each review will be shared with Members when complete.

Please see below a summary of the review of the Growing Places programme recently completed.

Growing Places Programme Review – Findings

Background - In 2012 the government provided £19.3m Growing Places Fund to Lancashire LEP. The fund is for capital developments to unlock stalled sites in Lancashire with an ambition that the fund should become evergreen (a recycling loan fund).

The Fund has three overriding objectives: • to generate economic activity in the short term by addressing immediate infrastructure and site constraints and promote the delivery of jobs and housing • to allow local enterprise partnerships to prioritise the infrastructure they need, empowering them to deliver their economic strategies • to establish sustainable revolving funds so that funding can be reinvested to unlock further development, and leverage private investment.

Government encouraged LEPs to be flexible in their approach (loans, grants, mix), suggesting, but not specifying the funds to be issued as loans, thereby establishing revolving funds that can be reinvested to unlock further development. From a government perspective the programmes' outcomes and intentions were clearly defined, but of a high level, with no targets set.

The Fund has successfully recycled itself and is now free of the original constraints so can be used to support the LEP's ambitions and agreed priorities. Government have confirmed that the funds can be used for revenue schemes which give the Fund more flexibility.

Review findings – The review was completed August 21, in consultation with the Programme Lead and LEP CEO. A summary of the findings is included below. The full detailed report is available upon request.

Summary - As detailed above, the original government objectives of the fund have been achieved. In addition, the fund continues to provide an investment stream to contribute to the delivery of the LEP Strategic objectives. In terms of impact please refer to Appendix H of this report.



There are a number of improvements recommendations as included in the table below. Further detail can be found in the detailed report, available upon request.

Improvement Recommendations
❖ Clearly define measurable targets for outputs and impact
❖ Consider the utilisation of the funds to support wider LEP Strategic Objectives, whilst balancing maximising loan potential
❖ Financial Performance – Consideration of all programme costs to be included.
❖ Local Assurance Framework Updated as per the contents outlined in the report
❖ O & S challenge in decision making process role
❖ Social Value Captured
❖ Marketing / Promotion activity – Communications Plan / Review LEP Website contents
❖ Internal processes improving <ul style="list-style-type: none"> ○ Transparency ○ Resource (legal and finance) ○ Register / Log – Lessons Learnt, changes to scope, decisions.
❖ Review Process to be implemented within the programme
❖ Sharing best practice e.g. LEP Network once review recommendations have been completed

Risk

A Single Portfolio Risk Register for the combined programmes is attached to the main report.

List of Background Papers

Paper	Date	Contact/Tel
None		

Reason for inclusion in Part II, if appropriate

Appendix J of this report will be considered as a Part II item.

Boost – Lancashire Business Growth Hub – Lead Andrew Leeming

BACKGROUND

Boost (Lancashire's Business Growth Hub) is a multi-tier, multi-agency programme, established in 2013. The programme is funded by the Ministry for Housing, Communities and Local Government (MHCLG), Department for Business, Energy and Industrial Strategy (BEIS) grant to the LEP and Lancashire County Council. By 2018 Boost had engaged with over 5,800 businesses, created 2,200 new jobs and generated over £60m GVA for the Lancashire economy. The main focus of Boost 1 (2013-15) and Boost 2 (2016-18) was improving the competitiveness of high growth Lancashire businesses, job creation and helping to establish sustainable new enterprises within Lancashire.

Boost 3 has a total project value of **£6.083m** (£3.650m ESIF (60%) & £2.433m public match) to be defrayed from 1st January 2019 to 30th December 2021.

In addition, c. **£328k** of BEIS funding per annum is used to provide sector specific support and assist beneficiaries who do not fit ERDF eligibility criteria.

Our #BoostYourRecovery campaign was launched in June 2020 to help Lancashire enterprises reset and plan their return from lockdown. Our #AskForHelp campaign, launched on day one of the lockdown has already assisted more than 5000 Lancashire businesses.

Boost has started delivering **Peer Networks programme** for Lancashire. Peer Networks is a national peer-to-peer networking programme for SME leaders that want to grow and develop their organisation for future success. Delivered locally by Boost, we are creating diverse - cohort groups of individuals to collaboratively work through common business issues.

Peer Networks is funded by the Department for Business, Energy and Industrial Strategy (BEIS) in response to a commitment made in the 2019 Business Productivity Review. The programme includes interactive action learning, trained facilitators, small groups, flexible topic selection and one to one coaching.

By completing Peer Networks, an enterprise will overcome business challenges and recognise and act on new opportunities, build a trusted network of connections for immediate support as well as for the future, and improve their long-term personal and business performance.

The new **Boost your recovery Covid grant** funds has received in excess of 1000 expressions of interest, totally over £3M of grant ask. The team have been assessing the returns, it looks like around 70% of these will be eligible to apply for a grant.

PERFORMANCE – As at Qtr. 4 2020/21

The project directly supports **Priority Axis 3** – ‘Enhancing the Competitiveness of small and medium sized enterprises’. Boost specifically addresses the following Investment Priorities:

3a Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms.

The Growth Support Programme strand of Boost 3 is specifically designed to identify entrepreneurs who have business ideas with growth potential and to help them bring these to fruition. It provides customised support to equip new businesses with the skills, techniques and tools to understand the barriers to growth and help them to overcome these.

3c Supporting the creation and the extension of advanced capacities for products, services and development.

The newly introduced **Business Resilience Programme** together with the **Growth Mentoring Programme** encourages businesses to bring forward growth projects, products and services through ongoing support to develop commercial capabilities and growth strategies.

3d Supporting the capacity of small and medium sized enterprises to grow in regional, national and international markets and to engage in innovation processes.

The Business Resilience Programme assists existing businesses to examine and develop existing and potential markets at home and abroad. Working alongside the Department for International Trade and local Chambers of Commerce, the initiative helps them to evaluate the threats and opportunities posed by changes in international trade patterns and tariffs and to take action to grow their businesses.

In addition to delivering the specific ERDF related outputs identified, Boost 3 will result in:

- Increased business formation rates
- Improved business survival rates
- An increase in the number of scale up businesses in Lancashire
- Improved productivity and GVA
- Higher levels of innovation and growth
- Business diversification, new products and services
- Higher levels of international trade

Programme Milestones

Milestone	Start Date	Completion Date
LCC Cabinet Approval for match funding	July 2018	September 2018
Boost 3 Procurement	July – December 2018	January 2019
Boost 3 Core Delivery Commences	January 2019	December 2021
Project Delivery (Business Support)	January 2019	September 2021
Mid Term Evaluation*	March 2020	July 2020
Final Evaluation	October 2021	December 2021

* The mid programme review has been shared with key stake holders and delivery organisations.

Key Performance Indicators - as of 31st March 2021

Boost 1 and 2 programmes are fully complete and closed having achieved the targets.

In terms of performance for the combined Boost 1, 2 and 3 programmes which contribute to the core LEP KPIs, these are as follows:

- Combined C8 (Jobs Created) via direct interventions = **Actual 3,004 / Target 2966**
- Combined C1 (number of enterprises assisted) = **Actual 3,698 / Target 3,995**

The table below contains core Boost 3 outputs and outcomes as specified in the contracts with service providers and GFAs signed with Managing Authorities (MHCLG & BEIS).

BOOST 3 JAN 2019 – March 2021

KPI	Target	Achieved	Comments	RAG
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New to Boost (NTB) businesses.	1250	4,249	340% of overall programme profile target ¹ has been achieved. 87.30% of Diagnosis of Need enquiries were 'New to Boost'.	
(P13) Number of enterprises receiving information, diagnostic and brokerage support.	1110	1108	The project has superseded its overall ERDF profile target ² by 221.6% .	
(C5) Number of new enterprises supported.	185	187	101.08% of overall programme profile target has been achieved.	
Boost referrals to wider business support agencies.	750	2,692		
(P11) Number of potential entrepreneurs assisted to be enterprise ready.	330	292	88.48% of overall programme profile target has been achieved.	
(C1) Number of enterprises receiving support (12 Hours or more).	1075	777 72.27%	There has been an improvement in business engagement and project completion rates from 69% to 77%. Challenges and opportunities faced by delivery organisations are being discussed at contract review meetings, operational group meetings as well as at stand-up meetings. All service providers have a demonstrated that they have a strong pipeline for Q2 (Apr-Jun 2021).	
(C8) Employment increase in supported enterprises.	750	768.65	102.48% of overall programme profile target has been achieved	
(C28) Number of enterprises supported to introduce new to the market products.	30	06 20%	There are a number of C28 current under review for and will be claimed Qtr. 2. MHCLG to consider if C28 shortfall can be replaced by a combination of surplus C5, C8, P13 and P11 outputs.	
(C29) Number of enterprises supported to introduce new to the firm products.	40	12 30%	There are a number of C28 current under review for and will be claimed Qtr. 2. MA to consider if C29 shortfall can be replaced by a combination of surplus C5, C8, P13 and P11 outputs. Collaborations with other business support agencies on-going.	
Unique website visits	11,250	11,821	105% of overall programme profile target has been achieved.	
Grow Twitter community	1,874	1926	102.77% of overall programme profile target has been achieved.	
4 Subject / Thematic campaigns per annum.	6	6	100% of overall programme profile target has been achieved.	

Financial Performance

This section covers project performance in terms of actual expenditure against the profiled values contained in the Funding Agreement as at 31st March 21.

- Eligible Expenditure Defrayed within the claim period was **£402,508.20**
- Financial profile for this period was **£582,654.50**
- Cumulative expenditure **£4,240,457** compared to approved profile **£4,569,525.21**

Note - Boost is working to pre Covid-19 targets with regards to job and wealth creation amid an unprecedented economic crisis.

RISKS

A Single Portfolio Risk Register for the combined programmes is attached to the main report.

Preston, South Ribble and Lancashire City Deal – Lead Contact Sarah Parry

BACKGROUND

The £450m Preston, South Ribble and Lancashire City Deal was agreed with HM Government in 2013 and is a 10 year infrastructure delivery programme, driving forward local growth by enabling the City Deal area to maximise the area's economic assets and opportunities. City Deal partners include; Lancashire Enterprise Partnership, Central Government, Lancashire County Council, Preston City Council, South Ribble Borough Council and Homes England. The City Deal is intended to generate; more than 20,000 net new private sector jobs, including 5,000 in the Lancashire Enterprise Zone; nearly £1 billion GVA; 17,420 new homes; and £2.3 billion in leveraged commercial investment.

PERFORMANCE

Programme Milestones

Milestone	Date	Comments
October 20 – March 21 Performance Monitoring Report underway	April 2021	Report to be circulated in August 2021
Quarterly Infrastructure Monitoring Completed	Ongoing	Achieved
Government Returns submitted six monthly	Ongoing	2020/21 End of Year Report due to be issued in Aug/Sept.
Mid Term Review Complete	2019	Negotiations continuing

Key Performance Indicators – as at 31st March 2021

	KPI / Metrics	Actuals	Target	RAG
1	Total number of Housing units completed	7,507	17,420	Yellow
2	Number of Housing units - Planning Consented	18,290 ¹	17,420	Green
3	Commercial floorspace completed (sqm)	107,962	441,657	Yellow
4	Jobs created or safeguarded (includes jobs associated; with new commercial floorspace, to capital investment, with lettings at existing premises)	17,245	20,000	Yellow
5	Public Sector Investment (£m)	£230	£342	Yellow
6	Private Sector investment (£m)	£34	£82	Yellow
7	Construction of Broughton Bypass	Complete	-	Green
8	Construction of Preston Western Distributor	Under Construction	-	Yellow
9	Construction of Penwortham Bypass	Complete	-	Green
10	Widening of A582 South Ribble Western Distributor	At planning, design and land assembly stage - Junctions complete. Widening of phase 1 - Golden Way section complete.	-	Red

¹ Includes all sites (not restricted to sites on the CD Schedule) and both outline and full planning permissions.

Outstanding Issues

City Deal Review – Agreement on Terms for a full partnership agreement for the City Deal has not yet been reached, although negotiations on a way forward are continuing with all partners committing to now resolve as a matter of urgency.

In the meantime, discussions with Government on changes to NHB are continuing with the Secretary of State for Housing, Communities and Local Government receiving a briefing on the issue in July. At the time of writing, feedback from the Department is awaited. The freeze on City Deal spend remains in place which is why the A582 Dualling is currently categorised as red in the monitoring report. Only schemes where there is a contractual, health and safety or planning obligation to fulfil, are exempt from that freeze on spend.

RISKS

A Single Portfolio Risk Register for the combined programmes is attached to the main report.

Appendix C

BLACKPOOL AIRPORT ENTERPRISE ZONE – Lead Rob Green **Report up to end Q4 31 March 2021**

BACKGROUND

Overall vision is to make Blackpool Airport Enterprise Zone a premier business location in the North West, attracting Inward Investment and supporting local growth.

In April 2016 the Government awarded Enterprise Zone status to the Blackpool Airport site which includes Blackpool International Airport and the surrounding business parks. Blackpool Airport EZ has benefited from public sector investment including acquisition of Blackpool Airport, phase 1 infrastructure works; fencing, taxiway removal, drainage and grass pitches commitment in excess of £1.2m. Nine new private sector developments have been completed totalling 186,517 sq ft, including Blackpool & The Fylde College's Lancashire Energy HQ, a 32,000 sq ft flagship training centre for technical and professional education for the energy sector. A further 261,318 sq ft has been refurbished and brought back into the rating list.

Blackpool Council (EZ accountable body) has approved up to £28.8m funding by prudential borrowing for development of Phase 1 Common Edge infrastructure and an overall delivery plan investment of between £72m and £76m is anticipated over the lifetime of the EZ. Phase 1 planning application has been approved with completion of 12no grass sports pitches, which will come into use in autumn 2021 after establishment of the playing surface. Work commenced on site (Oct 2020) for a 40,000 sq ft manufacturing facility with Practical Completion achieved on 2nd August. The project being supported by £800,000 Growth Deal Funding and an additional £2.85m private sector investment, due for completion and occupation winter 2021. Design of new highways and enabling infrastructure is ongoing, the key third party property required to enable highway delivery has been acquired and negotiations are progressing to finalise two leasehold surrenders and renewals to release small areas of land and property required to support delivery of the masterplan. A planning application for new sports changing facilities has been approved in June 2021 and work commences on site August 2021 with an anticipated investment of £3.1m to follow over the next eight months. A provisional allocation of £7.5m from the Towns Fund has been made to support new Highway Infrastructure at the EZ.

PERFORMANCE

Baselines at April 2016	
Existing jobs	Difficult to estimate as it is an existing business park with over 200 businesses located on site
Companies on site	c.250 – 300
Business rates baseline (set Dec 2017)	Blackpool - £1,503,000 Fylde - £870,000

Key Performance Indicators	Targets (over 25-year lifetime of EZ to 2041)	Actuals up to Qtr. 4 2021	RAG
Build, convert or re-purpose potential employment space	260,000 sqm	24,277 sq m	
Attract Private Sector Investment	£300m	c.£21.69m	
Jobs created	5,000	1639 (gross)	
New Businesses to the area	140	114	
Develop new infrastructure	£65m	£28.8m *	

To be prudentially borrowed to cover initial costs of new road and infrastructure. Spend to date on infrastructure, property and land acquisitions = £8,925,000

Milestones	Dates
Changing Rooms and car park/3G pitch planning application decision expected	complete

Appoint Common Edge Changing room and 3G pitches contractor	complete
Appoint international marketing agents LAMEC brand	complete
Sports facilities work commences on site	Aug 2021
Design and outline planning application for eastern gateway access	Sep 2021
Marketing of Common Edge phase 1 commences	Ongoing
Proposition and identifying opportunities for data centre market	Ongoing
Design and outline planning application for Common Edge Road	Sep 2021
No. 12 grass football pitches ready for use	Sep 2021
40,000 sq ft devt complete - shell fit out commences August 21	Dec 2021
Airport Control tower, fire station relocation project design commenced	Jan 2022
Land / property acquisitions x 4	Mar 2022
Release of existing sports pitches for commencement of highway and utility infrastructure Site Investigations	Mar 2022
Planning approval for highways	Mar 2022
Head of Terms to be agreed 20,000 sq ft unit not progressing 300,000 sqft of pipeline enquiries	Mar 2022
Outline planning app for airport redevelopment	May 2022
Fiscal benefit extension decision from HM Treasury	Mar 2022
Completion of sports facilities	May 2022
Architectural feasibility study & design work for airport complete	May 2022
12-month construction contract for access road	Jun 2022
Replacement hangar development commenced	Sep 2022

Objectives over 2-3 years

Phase 1 infrastructure complete

Phase 1 spec and bespoke developments commenced, and pre-lets secured

Commenced relocation of aviation operational infrastructure to enable new development

Commenced upgraded utilities including PV solar site and new primary sub station

Objectives over 5 years

Common Edge Phase 1 development complete – all plots occupied

Residential development underway

Relocation of airport operational property stock and infrastructure complete

New airport spec development in planning stages

Objectives over 10 years

Phase 2 continued spec development of remaining plots airport site

Squires Gate Industrial Estate – spec proposals for future development

RISKS

A Single Portfolio Risk Register for the combined programmes is attached to the main report.

Hillhouse Technology Enterprise Zone Report to 31st March 2021 – Lead Rob Green

BACKGROUND

In April 2016 the Government awarded Enterprise Zone status to Hillhouse Technology Enterprise Zone. Hillhouse EZ has benefited from private sector investment including a gas fired generator station Burn Naze IE, c.30,000 sq ft extension at Addisons Projects, Victrex's c.20,000 sq ft R&D plant, completion of AGC CE's thermal oxidiser and a 52,272 sq ft 20MW gas turbine power station. Victrex received circa £1.4m Regional Growth Fund toward the R&D pilot plant. £504,000 Getting Building Funding has been secured for the water main and gatehouse infrastructure works on site plus additional match funding by Wyre Council and NPL of £63,000 each, and a further £200,000 from Wyre Borough Council to support a local full fibre network (LFFN) extension to site.

Baselines at April 2016	Jobs Created	Companies on Site	Business Rates
Jobs Created	1650	45	£2.5m

PERFORMANCE

KPI Description	Target to 2026	Actuals (Q4 2021)	RAG
Commercial / R&D floorspace (sqm)	13,000	c.9,456	
Jobs Created	137	98	
Land Sales	£1.5m	-	

Amber RAG has been applied to reflect two key matters:

- The history and layout of the site suits large investments, which take a considerable amount of time to develop, as such the impact of Covid is more likely to have a stronger impact here. However when they do take place, they will have a considerable positive impact upon KPIs.
- Performance is strongly linked to the delivery of the Getting Building Fund project which brings forward (quicker than relying solely on EZ funds) smaller land parcels to a more open market, however there is currently some uncertainty about the timely delivery of this project, and so this impacts upon the confidence of output delivery.

Milestones	Dates
Forsa Energy completion of build	Complete
Appointment of joint international marketing agent LAMEC brand	Complete
Demolition and clearance of Vinnolit plots complete	Summer 2021
Revised Delivery Plan	Autumn 2021
60,000 sq ft speculative development of small multi-use units (planning application submitted)	Autumn 2021
Subsequent roll out of fibre ducting on site	Dec 2021
Utilities and infrastructure upgrade including new gatehouse, (planning submission pending)	Mar 2022
Fiscal benefit extension decision from HM Treasury	Mar 2022

Objectives over 2 years:

LFFN roll out across site complete (LFFN fibre now to site boundary)
 Commencement of spec dev build of 60,000 sq ft multi-use units
 Utilities and infrastructure work including new gatehouse complete
 Railway Line

Objectives over 5 years:

Phase 1 spec build complete and fully let

Phase 2 new spec development in planning pipeline
Access Road

Objectives over 10 years:

50% of site built out and thriving business hub

RISKS

A Single Portfolio Risk Register for the combined programmes is attached to the main report.

LEP – Samlesbury Aerospace EZ – Lead Programme Manager - Chris Dyson

Background

In April 2012, the Government awarded Enterprise Zone status to the Lancashire Enterprise Zone including Samlesbury (SEZ) and Warton Sites. The SEZ has benefitted from circa £55.983m public and private sector investment to date, enabling the developments as outlined in the table below.

Development / Works	£m	Funding Body	Completed
Phase 1 - Spine Road	£10.27m	LCC PWLB / LEP Business Rates	Completed 2018
Phase 2 - Side wide infrastructure works (Growth Deal Programme), AMRC plot development (excl. ENW below)	£10.8m	LEP Growth Deal, LCC PWLB / LEP Business Rates	Summer 2022
Phase 3 - Additional Site wide infrastructure works (non Growth Deal Programme), earthworks, cut and fill, infrastructure/access works	£21m estimate	LCC PWLB / LEP Business Rates	Subject to approvals commencement Sept/Oct 2021
Sub total (Phase 1, 2 & 3)	£42.8m + interest on capital borrowing		
BAE Facilities (ASK, Wincanton Defence & Logistics Centre, AMF)	£42m	BAE	Completed 2020
AMRC Facility	£20m	LEP – Growth Deal	Autumn 2021
Private Sector investment (utility) (Delivered as part of Phase 2)	£7m	ENW	Summer 2022

Performance

AMRC Development - As part of the site wide infrastructure works as detailed above, the County Council has completed the plot and access road works, and the University of Sheffield's main contractor, Robertson, is progressing the construction of the AMRC Building, which is due to open Autumn of 2021.

BAE Development - In November 2020, BAE completed the development of a circa £12m, 15,794sqm Asset Management Facility (AMF), in addition to the Academy for Skills and Knowledge Facility and Wincanton Defence Logistics Centre already completed.

Site Wide Infrastructure Works – Five claims have been made to date to draw down Growth Deal funding to the value of £2.98m, as part of the £6.725m allocation to deliver the site wide infrastructure provision. In addition, orders have been placed for site-wide utilities, with a foul water drainage strategy agreed. The detailed designs and delivery programme are also being agreed. ENWL is at an advanced stage of the delivery of its major programme to deliver the cabling to the site for the new primary sub-station. The gas governor, final connection is now complete. The Telecoms infrastructure routing is confirmed and the fibre installation is in process. The County Council's Drainage & Earthworks Strategy for the next programme of works activity has commenced with major earth works being undertaken on site currently.

Commercial Development Framework – was completed in early 2021 and is being utilised to inform enquiries and the site development and delivery strategy.

Enquiries - A range of major enquiries are currently being pro-actively handled, and interest in the site remains very strong despite market disruption caused by Covid-19. A Team Lancashire approach has secured 2 preferred location decisions for the EZ; negotiations on the estates solutions with LCC are underway. A Joint Commercial Agent approach to the Enterprise Zones will support ongoing enquiry handling.

KPI Performance	Targets (to 2029/30)	Actuals (Qtr.4 20/21)	RAG
New commercial floor space	125,352 sqm	22,400 sqm	
New jobs created	2,528	200*	
Utility construction project complete	5	0	
Public Sector Investment (site-wide infrastructure)	£28.8m ***	£13.983m**	
Private Sector Investment -BAE £42m & Utility £7m	£49m	£42m	

* Additional to Growth Deal target

** Includes Prudential borrowing for initial costs of new road and infrastructure

*** Original target remains, current forecast is to exceed this original target

Milestone	Target Dates	Achieved Date
Primary sub-station design	May 2020	COMPLETE
Primary sub-station planning approval	July 2020	COMPLETE
Gas main construction commenced	August 2020	COMPLETE
Commercial Development Framework Commissioned	August 2020	COMPLETE
Drainage & Earthworks Strategy commissioned	August 2020	COMPLETE
LCC AMRC Plot Works complete	September 2020	COMPLETE
Utilities orders placed	September 2020	FOUL WATER ORDER EXPECTED Q3
AMRC Construction (Robertson)	October 2020	COMMENCED
Updated Marketing Strategy & progression of Enquiries	December 2020	Enquiry handling ongoing
AMF Completion	November 2020	COMPLETE
Earthworks & Drainage site works complete (Due to the impacts of Covid-19, subsequent delays & compounded impact of working through winter, this is likely to slip)	Feb 21	Q2 21/22 COMPLETION ANTICIPATED
Research and Development Plots fully serviced (excluding power) (As above)	Feb 21	AUG 21 ANTICIPATED
Primary sub-station connection	September 2022	ON PROGRAMME
Site wide utility infrastructure operational	September 2022	ON PROGRAMME
Delivery of enquiries (conducted in parallel to infrastructure delivery)	February 2021 onwards	COMPLETE (ONGOING)

Risks

A Single Portfolio Risk Register for the combined programmes is attached to the main report.

Appendix F

LEP – Warton Aviation EZ – Lead Programme Manager - Chris Dyson

BACKGROUND

In April 2012, the Government awarded Enterprise Zone status to the Lancashire Enterprise Zone, which included the Samlesbury Aerospace and Warton Aviation Enterprise Zone Sites.

The Warton Enterprise Zone has a masterplan and a ten-year Local Development Order in place for the site. Two companies, Accenture and Trescal, have been in occupation at the site since 2015.

Senior officers from the county council and BAE are continuing to discuss opportunities at Warton to build and complement on the current high value activity at Samlesbury to support the development of Lancashire's growth ambitions and the levelling up agenda.

PERFORMANCE

KPI Performance	Targets	Actuals (to Qtr. 4 20/21)	RAG
Commercial floor space created	N/A	Sqm TBC	N/A
Jobs created	N/A	7	N/A

Milestones

Milestones will be determined following further strategic discussions between LCC, the LEP and BAE. In this regard, initial strategic meetings have taken place recently in June 2021 and sectoral analysis is currently being conducted via the LEP to feedback to LCC and BAE in the autumn of 2021 for further consideration. This information will inform further debate in respect of the potential next stages.

RISKS

A Single Portfolio Risk Register for the combined programmes is attached to the main report.

LEP – Getting Building Fund Programme – Lead Anne-Marie Parkinson

Background

The Getting Building Fund is a £900 million government programme to deliver jobs, skills and infrastructure across the country. This investment is targeted in areas facing the biggest economic challenges as a result of the pandemic. It is supporting the delivery of shovel-ready infrastructure projects, agreed with Mayoral Combined Authorities and Local Enterprise Partnerships to boost economic growth, and fuel local recovery and jobs.

In August 2020, government announced a funding allocation of £34.1m to Lancashire LEP from the Getting Building Fund. Following the announcement government undertook a review of the schemes submitted by the Lancashire LEP, where in agreement with the LEP the £34.1m was allocated to ten projects.

Performance

Delivery

In terms of progress to date all ten projects provided a 5-Case Business Case, which was Independently appraised, have received LEP Board Funding approval, and have completed contracting with the LEP (GFA).

Works have commenced on all ten projects, with some slippage to delivery. This is not unusual at the start of a new programme, especially when operating in a constricted delivery programme for a capital programme such as this. There are no delivery concerns at present to highlight to LEP Board Members.

The programme has benefitted from the close working relationship between the LEP Officers and Project Managers since inception, with on-going regular discussions to support delivery, maximise opportunity and identify areas of risk which may materialise.

Projects are required to provide reporting (financial claims & progress reports) on a quarterly basis, following completion of contracting (GFA), as such the 1st reporting for all projects commenced at Quarter 4 2020/21. Please find attached to this document a summary which contains an update for each project as at the last set of reporting to 30th June 2021.

In addition the LEP is required to provide quarterly reporting returns to BEIS. No queries have been raised on reporting submitted to date.

Projected KPIs / Outputs

The table below contains the forecasted outputs for all ten projects, as confirmed via the completion of the Business Case Independent Assurance and the completion of contracting (GFA) for each project.

Actuals are expected to be reported from March 2022, against forecasts as detailed below.

KPI / Output Description	Forecast
Jobs Created / Safeguarded	1,474
Construction Jobs	309
Housing Unit Unlocked or Delivered (1006 delivered / 30 unlocked)	1,036
Commercial & R&D floor space (sqm)	67,388
Learning space improved or created (sqm)	412
Businesses or institutions assisted	197
KG of CO2 emissions avoided	670,564
Public Realm or Green Space created (sqm)	23,480

New super/ultrafast broadband connections	113
Roads, cycle lanes and walk ways maintained and built (km)	2.484
Other Investment £m	£78.89m

Programme Milestones

Milestone	Date	Comments
Programme funding allocated to projects	Aug 20	Complete
Programme funding approved by LEP Board	Sep 20	Complete
Government Offer letter received	Sep 20	Received
Subsidy Control Compliance achieved on all projects.	Mar 21	8 compliant, 2 pending decision
Subsidy Control Transparency Database completed	Mar 21	Currently with LCC legal to establish requirements
Communications Milestones Identified	Nov 20 - Mar 21	Commenced
Social Value embedded within the programme	Nov 20 - Mar 21	Commenced
Programme funding contracted to projects	Nov 20 - Mar 21	Commenced
Programme Review	Dec 21	
Projects achieve practical completion	Mar 22	
Evaluation / Case studies collected	Mar 22	
Programme contracted targets achieved	Mar 25	

Risks

A Single Portfolio Risk Register for the combined programmes is attached to the main report. One risk to highlight as recorded on the risk register is the requirement to complete the Subsidy Control reporting for the funding contracted to projects. This is currently being progressed with LCC Legal colleagues.

GBF PROGRAMME SUMMARY - AT AT 30TH JUNE 2021

Name & Description of Project	Project Organisation
Abingdon Street Market - a modern experience providing a new retail and service offer to address the needs and demands of residents and visitors.	Blackpool Council
Strawberry Meadows Business Park (formerly Alker Lane) - commercial floorspace comprising affordable office and industrial accommodation directed towards scale ups, start ups and new businesses.	Chorley Council
Burnley Town Centre Master Plan - Pioneer Place - Redevelopment of a brownfield site address the need for a leisure anchor, food and beverage offer and relocation of REEL cinema.	Burnley Council
Hillhouse International Business Park - additional and improved electrical and water supply infrastructure. Project will assist in delivering 200 new jobs as part of the Enterprise Zone.	Thornton Facilities Management Ltd
Houndshell Shopping Centre Extension - Re-purposing this shopping centre to support its sustainability through the delivery of a transformational leisure and retail development.	Blackpool Council
Lancashire Centre for Alternative Technologies - RedCAT - a number of measures to support low carbon technologies and advanced manufacturers, by identifying viability, funding, VC/Equity sources to drive economic green recovery and resilience.	East Lancashire Chamber of Commerce
Low Carbon Manufacturing Building Demonstrator - demonstrating retrofittable smart building technologies, showcasing tech within the fabric of buildings, providing access to manufacturers to evaluate and consider adoption in their factories.	Sheffield University
M55 Heyhouses Link Road - road required to satisfy impacts from Queensway residential development and to overcome localised congestions problems. Provides an alternative to the M55 motorway as well as access to existing employment areas.	Lancashire County Council

<p>Project Neptune - Phase 1 of a transformational mixed-use development of Fleetwood Docks. It will pump prime the development and help bring forward the overall site in line with the Local Plan. Includes developing a modern purpose-built Food Park and enabling works to bring forward serviced land suitable for waterfront residential development and high quality public realm.</p>	<p>Wyre Borough Council</p>
<p>Tatton Development - 63 assisted living units, a new community centre, community café, GP surgery and NHS, with landscaping works to regenerate the existing park and gardens which provide both sporting and civic facilities.</p>	<p>Chorley Council</p>

Project Activity Commenced	Start on Site	Complete on site	GBF £M (approved)	Leverage £M (forecasted)	All Cost £M	RAG
Sep-20	Jul-21	Mar-22	£ 3.634	£ -	£ 3.634	Green
Nov-20	May-21	Apr-22	£ 2.250	£ 7.94	£ 10.190	Green
Nov-20	Sep-21	Nov-23	£ 3.681	£ 18.07	£ 21.750	Amber
Nov-20	Mar-21	Feb-22	£ 0.504	£ 0.13	£ 0.630	Green
Sep-20	Jun-21	Oct-22	£ 5.000	£ 14.59	£ 19.585	Green
Sep-20	Jan-21	Mar-22	£ 1.500	£ 0.20	£ 1.700	Green
Feb-21	Mar-21	Feb-22	£ 2.500	£ -	£ 2.500	Green
Dec-20	Dec-20	Dec-23	£ 5.790	£ 21.26	£ 27.050	Green

Nov-20	Mar-21	Mar-22	£ 4.030	£ 4.78	£ 8.808	Green
Jan-21	Jan-21	Apr-22	£ 5.210	£ 11.93	£ 17.143	Green
			£ 34.099	£ 78.89	£ 112.990	

<p style="text-align: center;">Status / Comments</p>
<p>Project due to start on site Jul 21. PC expected Mar 22. Qtr. 1 21/22 reporting received, including financial claim. Milestones largely on target.</p>
<p>Live - Started on site May 21. PC expected Apr 22. Qtr.1 21/22 reporting received, including financial claim. Project on track and progressing well.</p>
<p>Project due to start on site Sept 21. Pioneer Place PC expected Oct 22 and Manchester Road PC Nov 23. Qtr. 1 21/22 reporting received, NIL financial claim due to some delays incurred. Further update with Project manger and potential change request re slippage expected Qtr. 2 21/22, as such Amber at this stage.</p>
<p>Live - Started on site Mar 21. PC expected Feb 22. Qtr. 1 21/22 reporting received including financial claim. Project remains confident in delivery timescales.</p>
<p>Live - Started on site Jun 21. PC now expected Oct 22. Qtr. 1 21/22 reporting received, including financial claim. Delays incurred, however applicant confident of delivery programme. Review Qtr. 2 reporting.</p>
<p>Live - Started on site Jan 21. PC expected Mar 22. Qtr. 1 21/22 reporting received, NIL financial claim this quarter. Some delays incurred relating to subsidy control. Applicant confident of delivery programme. Review Qtr. 2 21/22.</p>
<p>Live - Started on site Mar 21. PC Feb 22. Qtr. 1 21/22 reporting received, NIL financial claim this quarter. Some delivery delays. Applicant confident of delivery programme. Review Qtr. 2 21/22.</p>
<p>Live - Start on site Dec 20. PC expected Dec 23. Qtr. 1 21/22 reporting received late, first financial claim received this quarter. Milestones slippage (approx. 4 months) with all pre-commencement works underway and housing delivery on track.</p>

Live - Start on site Mar 21. PC expected Mar 22. Qtr. 1 21/22 reporting received, including financial claim. Good progress against Milestones was some minor slippage re: planning but now back on track. Jobs Safeguarded expected Qtr. 2 - Qtr. 3.

Live - Start on site Jan 21. PC expected Apr 22. Qtr. 1 21/22 reporting received, including financial claim. Milestones largely on track with some slippage. Review Qtr. 2 21/22.

LEP Growing Places – Lead Sue Roberts

BACKGROUND

The government provided £19.3m in 2012 for a Growing Places Fund. The fund is for capital developments to unlock stalled sites in Lancashire with an ambition that the fund should become evergreen (a recycling loan fund). The fund has achieved this and since July 2020 it has the ability to be used for revenue schemes. The capital continues to be re-invested in new schemes with the interest becoming part of the income for the LEP.

There are eleven schemes which are / have been in receipt of growing places funds:

- Eight schemes have been delivered and repaid
- Two schemes have been delivered, but not yet repaid in full (see note *)
- One scheme is in development

*Two sites have sold a number of housing units in the quarter repaying a significant portion of their loan. However, it has been re-drawn as per the terms of their Facility Agreement, which allows for a repetitive draw on repayment to continue with the next development phase; therefore, their facility remains fully drawn.

Heads of Terms were agreed at the Board Meeting of 23 March 2021 for a new scheme, which is now in due diligence; the legal document are being drawn up and agreed with the client prior to signing as per the Board's instructions.

A further potential new scheme was approved to move to Heads of Term at the Board Meeting of 22 June 2021 which will come to a future Board meeting for approval.

There are currently four potential new schemes in the pipeline which are currently being evaluated.

The establishment of a PPE manufacturing company in Pendle has been released from the pipeline as the company did not pursue the funding.

PERFORMANCE

As this is a loan fund, there are no specific targets, as such no RAG rating has been applied to the KPIs. However included in the KPI table below, are the economic outputs reported by the recipients of the loans.

Development is progressing well on one scheme that is split into three sites. Housing units are being built and demand is strong on all three sites. Sales have been completing on all sites, which has enabled the sites to revolve the funds and continue developing.

Key Performance Indicators

KPI	Actuals as at 31/03/21
Private sector investment	£103,136,991
Jobs Created	2,130
Space developed	213,394 sqm.
Housing Units	717
Original Fund Amount	£19,378,944
Capital Loaned	£35,615,998
Capital Repaid	£26,147,768
Interest Received from loans	£1,784,584
Capital to Invest*	£11,967,219

*This figure is the difference between capital loaned and repaid, minus the original fund amount and loans committed.

Programme Review

The programme review of this programme has now been completed by the LEP Investment Programme Manager, in consultation with both the Growing Places programme lead and the LEP CEO. A summary of the findings, including improvements recommendations are included in the covering paper to this report. The full report is available upon request.

RISKS

The Single Portfolio Risk Register for the combined programmes is attached to the main report.

LEP – Growth Deal Programme – Lead Anne-Marie Parkinson

Background

The Lancashire Growth Deal is a £320m capital grant programme, delivering 52 projects across Lancashire, aligned with four key priorities, rooted in maximising the area's competitive economic strengths. This Deal is expected to bring to Lancashire's economy; 11,000 jobs, 3,900 homes and attract £1.2bn of private sector investment.

Performance

Approvals and Contracting

As confirmed in the LEP Annual Performance Review (APR) with government in January 2021, the £320m Growth Deal programme is being delivered in accordance with Government's requirements for the fund, with all areas for this programme being 'Met' ('Met' being the highest ranking).

100% of funding has been contracted to 52 projects within the programme, which are at various stages of delivery:

- 100% (52 projects) of projects have commenced their physical works
- 60% (31 projects) of the projects have completed their physical works
- 27% (14 projects) of projects have fully completed (works, spend and outputs)

A full list of the projects and current status can be found at the [LEP website](#).

Key Performance Indicators – as at Qtr. 4 2021/21 (to 31st Mar 2021)

Key Performance Indicators	Actual to Qtr. 4 20/21	Forecast to Qtr. 4 20/21	% Actual v Forecast	Forecast to 2025	Government 'Deal' Target	RAG
Growth Deal Funding defrayed £m	£273.93	£273.93	100%	£273.93	£273.93	Green
Housing Units	3,917	3,689	106%	8,248	3900	Green
Jobs Created, Safeguarded, Apprentices	5,513	5,371	103%	16,017	11000	Green
Commercial Floor space constructed / refurbished (sqm)	54,632	102,901	53%	263,450	43,829	Amber
Public & Private Sector Investment £m *	£178.64	£140	128%	£367.40	£140	Green
New or Refurbished Roads (km)	5	5	100%	10.17	N/A	Green
Length of new cycle way (km)	21	23	91%	28	N/A	Green
New or Improved Training Facility (sqm)	42,963	42,557	101%	42,557	N/A	Green
Additional Learners leading to a qualification (up to L4)	11,853	8,486	140%	10,793	N/A	Green
Specialist equipment	118	117	101%	117	N/A	Green
Enterprises receiving support & Business Assists (SME)	946	1,232	77%	2,025	N/A	Amber
Social and Economic Value £m	£31.1	£31.1	100%	TBC	N/A	Green

The table above identifies the programme is in a positive position, having achieved four of the five Government Deal targets (not due until 2025), and with the majority of all 2020/21 targets either met or exceeded. This is especially impressive given the economic climate.

It should be noted, it is expected that the 2025 forecasted KPI targets for 'Jobs Created' and 'Business Assists' will reduce as a consequence of the current economic climate, however it is unlikely these will fall below the VFM threshold.

The two Amber RAG KPIs relate to:

- Commercial Floorspace – The underperformance against Qtr. 4 2020/21 forecast is due to practical completion slipping on a number of the larger schemes into 2021/22 due to the impact of COVID. The schemes are now all nearing PC, as such it fully expected to achieve the forecasted outputs by Qtr. 2 21/22. However it should be noted that the 'Government Deal' target for the programme, as per the attached table, has been exceeded.
- Enterprises Receiving Support & Business Assists – The underperformance against Qtr. 4 2020/21 forecasts is as a direct consequence of COVID 19, mainly in relation to two projects. Discussions are continuing with the projects, however it is likely these targets will not be fully achieved, which is understandable given that circa 12 month delivery has been lost.

Quarterly Reporting to Government

As part of the governance arrangements for the delivery of the Growth Deal programme, the LEP is required to provide cumulative reporting on the delivery of the Growth Deal programme to the Cities and Local Growth Unit. This is to be provided on a quarterly basis and includes performance against both financial and output metrics for each project within the Growth Deal programme.

No queries have been raised in relation to the last quarterly reporting submitted to Government in May 2021.

Programme Milestones

Milestone	Date	Comments
Programme funding allocated projects	2020	Achieved - 100% allocated
Programme funding contracted to projects	2021	Achieved - 100% contracted
BEIS 2021 APR – Delivery Element.	Annually	Achieved - 'Met' rating achieved
Communications Milestones Identified	Ongoing	Updated on a quarterly basis
Projects complete capital works	2021	On target
Annual State Aid Reporting	2021	Overdue (expected August 2021)
Projects achieve contracted outputs	2025	On target
Programme achieves Deal 'Fact Sheet' Targets	2025	On target - 4 of 5 targets achieved
Social Value embedded within the programme	2016	Achieved - 6 monthly reporting
Programme Evaluation Complete	2021	On schedule – Due Dec 21.

Risks

A Single Portfolio Risk Register for the combined programmes is attached to the main report. A risk to highlight as contained in the risk register is the Annual Reporting of State Aid to government for grants issued to projects under an exemption. Discussion are on-going between BEIS, LEP and LCC in their role as the Accountable Body, in terms of the implementation of the requirements in the context of the new Subsidy Control regulations.

Lancashire Skills and Employment Hub – Lead Dr Michele Lawty-Jones

The Lancashire Skills and Employment Hub is the executive to the Lancashire Skills and Employment Advisory Panel (SAP). The Hub is a strategic unit, gathering local labour market intelligence to identify skills and employment priorities, which are articulated in the Lancashire Skills and Employment Strategic Framework and Technical Education Vision. The Hub works with both business and providers against 4 key strategic themes: Future Workforce, Skilled and Productive Workforce, Inclusive Workforce and Informed Approach.

Current Activity

The Lancashire Skills and Employment Strategic Framework 2021 is published on both the LEP (<https://lancashirelep.co.uk/key-initiatives/skills-employment/>) and the Skills Hub websites. Headlines regarding activity since the last LEP Board are provide below, by the strategic themes of the Framework.



Future Workforce: working with education and business to establish a talent pipeline and future workforce that meets the current and future demands of the local labour market.

The Lancashire Careers Hub and Enterprise Adviser Network have continued to develop and share good practice across the network of 154 secondary schools and colleges, working collaboratively with employers. The Careers and Enterprise Company (CEC) have reduced the annual targets relating to employer encounters (Benchmark 5) and experiences of the workplace (Benchmark 6), reflecting the challenges of the pandemic. The work undertaken to enable virtual encounters and experiences has contributed significantly to performance, and more importantly, in boosting the aspirations of young people and breaking myths regarding labour market buoyancy.

	Benchmark 5 (Average %)		Benchmark 6 (Average %)	
	Target (July 2020)	March 2021	Target (July 2020)	March 2021
Careers Hub Wave 1 (Blackpool, Burnley, Pendle)	75	62.1	100% partial achievement	100
Careers Hub Wave 3 (Blackburn with Darwen and all other Lancashire areas)	65	65.3	100% partial achievement	85.1
Blackpool Opportunity Area	75	73.3	100% partial achievement	93

The 'bring a buddy' event aimed at recruiting additional business leader volunteers, Enterprise Advisers, resulted in 5 new appointments. The campaign is ongoing working closely with business networks across Lancashire and CiPD, promoting the Lancashire Skills Pledge, and pledges aligned with the Careers Hub.

A further Community of Practice has been established for Further Education (FE), working collaboratively with The Lancashire College (TLC) group and Careers Leaders, to support both progression in the colleges' benchmark scores, and discussions on how colleges can build on their current offer to schools thus potentially increasing schools' scores, particularly Benchmark 3 (destination tracking) and Benchmark 7. A virtual Careers Fair is also in planning to support post 18 choices and pathways.

The three top tier authorities, TLC and the Careers Hub are working together to support the transition of Year 11, taking into account the difficulties associated with the pandemic and the impact on young people's educational journey and health and well-being.

The Gatsby Foundation funded T Level Routes Ready project has now been running for three years through the Lancashire Skills and Employment Hub. The following list details some of

the key achievements of the project, working in close partnership with Lancashire's FE colleges, businesses and strategic partners:

- Seven Routeway Networks and Industry Placement Network established
- Over 30 network meetings held
- Five additional projects supported, bringing an additional £200k+ into Lancashire
- T Level CPD developed for IAG professionals, with 78 attending the training
- Consultative Sales training delivered for college Business Relations staff
- Twelve Technical Education Newsletters designed and delivered to over 100 subscribers
- Over 2000 individuals and 650 businesses reached with awareness raising sessions about T Levels
- Industry Placements incorporated into the Lancashire Skills Pledge

The first stage bid for the Lancashire Institute of Technology (IoT), submitted to DfE by the lead institution, Blackpool and The Fylde College, has been successful and the Skills Hub is supporting a cross college and university team to develop the second stage bid.

The Lancashire Digital Skills Partnership (LDSP) has been driving a number of activities with partners to engage young people in digital careers, these include:

Teen Tech Festival Lancashire with Maggie Philbin – the Lancashire Festival, which took place in January and February reached over 850 young people. The most popular workshops included game design and animation. Highlights of the 2021 Festival can be seen here: [Lancashire Festival highlights](#) Following the de-briefing meeting, the project steering group are planning a second Festival in 2022.

Cyber Girls First – partnership working on the Blackpool event for female Year 8 students continues with schools, with the first event planned for the 16th of June. Pat Ryan (Founder) and colleagues from BITC have been instrumental in bringing together local and national employers to speak at the event including Chief Technology Officer at 10 Downing Street, an incognito speaker from The National Cyber Security Centre, Code Galaxy and Korber in Blackpool and JP Morgan.



Inclusive Workforce: supporting unemployed and inactive residents into sustainable employment, driving up digital skills and embedding social value to 'level up' areas of Lancashire and accelerate inclusive growth.

Following input through a national task and finish group regarding the remaining ESF National Reserve Fund, an action note has been issued enabling directly matched projects to submit project change requests to DWP for extensions in time and growth in funds to run projects through to 2023. Projects must be performing well.

The ESF programme commenced delivery in 2016, and up to the end of March 2021 the following participants have been recorded. Almost a third have progressed into a positive destination so far.

Adults Supported under Investment Priority 1.4 (Active inclusion) and 1.1 (Access to employment for job seekers and inactive people)	
Participants Engaged	20,717
Males	9,871
Females	7,884
Aged 50+	5,491
Ethnic Minority Group	3,120
Disability	6,760
Progression into a positive destination	6,781

The Adult and Employer Skills Forums have continued to meet regularly with positive attendance. The group review local labour market intelligence and consider priorities for provision, share good practice, and new project information to ensure that any new provision is integrated alongside existing provision. The Forum supports the use of the on-line Escalate referral tool which now contains 144 opportunities and has been used by 4,377 users.

The Skills Hub has worked collaboratively with DWP, Liverpool Mayoral Combined Authority, Cumbria LEP and Cheshire and Warrington LEP to support the procurement of a prime contractor for the Restart programme for the Northwest Contract Package Area. The Northwest contract was awarded to G4S who the Skills Hub have an existing relationship with and who have a representative on the Adult Skills Forum. This contract will be delivered over a five-year period and is expected to deliver to approximately 108,000 people across the Northwest region. Partnership discussions are underway to integrate the offer locally.

The Skills Hub is working with CityFibre to support their local recruitment and skills needs. CityFibre is investing £4bn in full-fibre connectivity and has network rollouts underway aimed at connecting up to 8 million homes and businesses in 60+ towns and cities. To date conversations have been held with partners in Preston and the Blackpool area.

The extension funding received from DfE for Skills Bootcamps has funded 4 new bootcamps working with two new commercial bootcamp specialists and 2 existing Fast Track projects. These include: Code Nation, Northcoders, Tech Returners and IN4.0 Talent Academy. Content of the programmes focuses on software developer and cloud roles. The results of the national procurement process will be announced in August.



Skilled & Productive Workforce: working with business to drive up skills in Lancashire's workforce to boost productivity, in-line with the needs of Lancashire's growth pillars.

A refreshed Apprenticeship Action Plan has been produced, consulted on and approved by the Lancashire Skills and Employment Advisory Panel. This includes the development of the Lancashire Levy Transfer Network with the Lancashire Work Based Learning Forum, UCLan and key employers, which will benefit SMEs and providers across Lancashire.

The LEP is a signatory of the Tech Talent Charter, as an advocate for diversity in the digital workforce. In February, a thought-piece, jointly authored by Adrian Wright (UCLan), Kerry Harrison (Lancashire Digital Skills Partnership) and May Ellis (Lancashire County Council), was published to raise awareness of the issues and the training available to businesses. [You can read the article here.](#) To further the local conversation a series of lunch-time chats were hosted by Fraser House with a range of local businesses and GCHQ on the issue of diversity and inclusion.

Following on from the successful request for additional National Reserve Funding under Investment Priority 2.1, a call took place early in 2020. Four projects were successfully procured by DWP, the Managing Authority and details are provided in the table below:

Project	Lead Accountable Body	ESIF Funding	Overview
Building Successful Futures	PHX Training Limited	£1,528,000	Targeting Retail, Customer Service, Hospitality, Warehousing and Business, the project aims to develop the skills and career prospects of employed people, particularly within SMEs and micro businesses. The

			project will support employees to progress from entry level jobs, through the delivery of flexible and responsive vocational provision which meets employers' needs.
LEAP	UCLan	£2,259,000	Aligned with the Apprenticeship Action Plan the project aims to provide L3 bridging programmes, an Apprenticeship Mentoring Programme for supervisors, CPD for Apprenticeship Ambassadors and support the evolving Lancashire Levy Transfer Network (LLTN).
Upskilling Health & Social Care	Blackburn with Darwen Council for Voluntary Service	£2,134,000	Partners will engage with VCFSE organisations, who are part of the Lancashire Integrated Care System and undertake organisational diagnostics and skills audits to create workforce development plans and individual learning plans. Bespoke training will be developed and delivered, with pathways created that will lead to and complement other provision, supporting individual career paths and the upskilling of organisation's workforce.
Building Blocks-Business Health Matters	Active Lancashire	£5,191,000	The project aims to boost the health of Lancashire's SME workforce by delivering Level 2 and Level 3 Workplace Health Champion training and other qualifications such as Mental Health First Aid. The project aims to train 5000 Workplace Health Champions across Lancashire, who will act as advocates for Workplace Health and Wellbeing within their organisation.

Under the 2.2 call, The Lancashire Colleges (TLC) have been successful in gaining a contract to deliver a project to support Technical Education, working with employers (small to medium enterprises) to boost their capability and capacity to engage in Industrial Placements.

The Skills Hub continues to work with providers to ensure that employer facing provision meets the current and future needs of businesses. From the start of the ESF provision until the end of March 2021 the projects have engaged with 3,182 Businesses and delivered to 15,312 employees.

The Lancashire Redundancy Task Force continues to provide support to businesses planning and making redundancies.



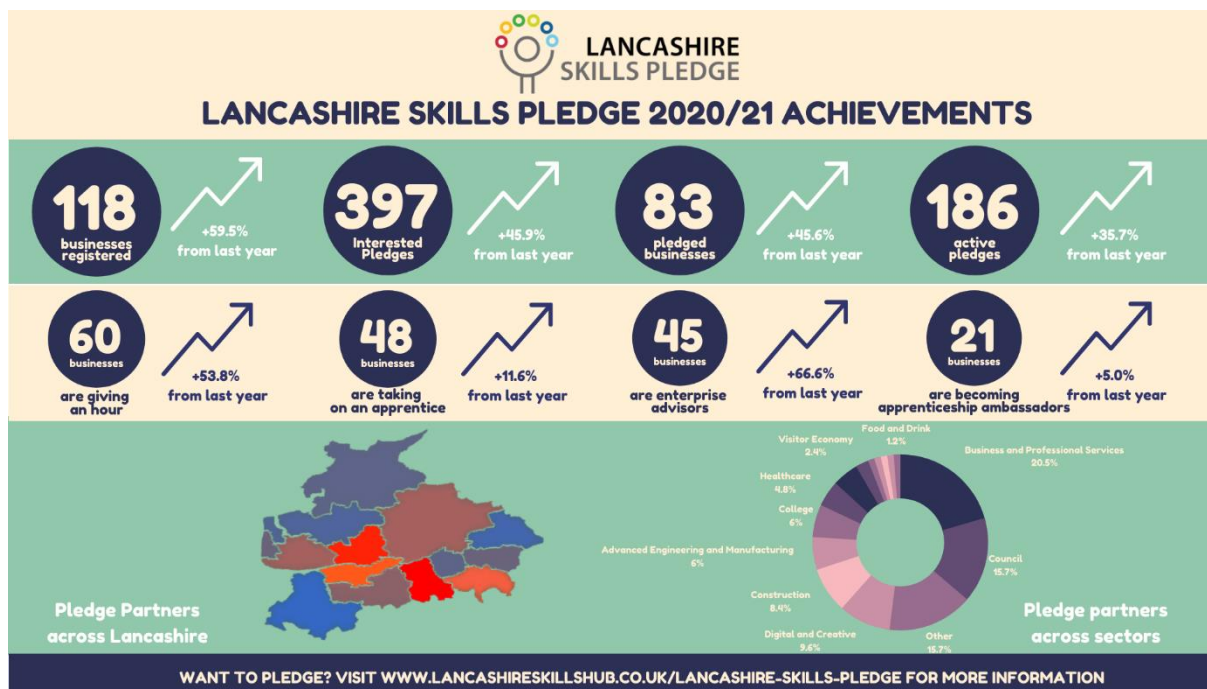
Informed Approach: taking an evidence based approach to identifying the skills and employment issues facing Lancashire's businesses and industries, prioritising and influencing locally and nationally, and working with partners to identify best practice.

The Skills Hub worked closely with the Skills Advisory Panel Team in the DfE to agree a pragmatic approach to meeting the requirements of publishing a Local Skills Report while not diluting the Lancashire Skills and Employment Strategic Framework. As a result, the two documents have been brought together and the Strategic Framework incorporating the Local Skills Report was published at the end of March, meeting the DfE's deadline, see here: <https://www.lancashireskillshub.co.uk/strategies/strategic-framework/>. It received

positive feedback from the department and was one of the first presented to the Skills and Productivity Board as an example of good practice.

The Evidence Base page on the Skills Hub website, which is open source, now includes an interactive data dashboard for partners, in addition to the LMI Toolkit. The page has received over 1,671 visits, from the start of the 2021 until 6th May 2021, compared to 254 views in the same period last year. Showing the value and impact of the new approach. The evidence base will continue to evolve in line with partners and stakeholder feedback, utilising the SAP grant. The Evidence Base page can be viewed here: <https://www.lancshireskillshub.co.uk/our-people/evidence-base/>

Throughout 2020/21, the Skills Pledge initiative has continued to gain traction and is well represented geographically across the LEP, with Pledge Partners from all districts within the LEP. As of the 31st of March 2021, there were 83 businesses actively pledging (an increase of over 45% from the previous year) to a total of 186 pledges (an increase of over 35% from the previous year). Lancashire’s wide array of sectors continue to be well represented by Pledge Partners.



Lancashire LEP Social & Economic Value Report – Lead Martin Hill

BACKGROUND

Lancashire Enterprise Partnership has successfully embedded Social Value within their key infrastructure investment programmes through the adoption of a LEP wide Social Value Framework. The framework utilises the National Themes Outcomes and Measures to embed social value within the procurement, monitoring and evaluation of projects across the LEP's project and programme portfolio including the Growth Deal, City Deal, Boost business support and Rosebud Business Finance programmes.

Social Value Framework

As outlined in the LEP Programme Report of December 2020, the framework utilises indicators drawn from the National Social Value Themes Outcomes and Measures, or TOM's for short, which allows the attribution of financial values for a range of outcomes which are derived from Government Office Green Book unit cost values.

The framework provides target outputs against a number of measures which are informed by the Lancashire Employment and Skills Strategic Framework themes (Future Workforce, Inclusive Workforce and Skilled and Productive Workforce).

PERFORMANCE

The Growth Deal Social Value Impact

The impact of the adoption of this approach can be seen at programme and project level. As reported in February's LEP Board Report, the Growth Deal programme generated a total of £31.1 million of added social value in the last reporting period to the end of March 2021. The table below provides a detailed breakdown of social value delivered across the framework metrics:

Future Workforce

Metric	To date	Indicative Social Value
Hours volunteered to support learning and education through curriculum links, careers and STEM activity.	531	£84,271.39
Number of work experience placements for 15-18 year olds at Lancashire schools and colleges	213	£33,702.99
Number of undergraduate project placements offered to Lancashire's Universities.	101	£15,981.23
Number of graduate internships for graduates living in Lancashire	22	£20,886.36

Inclusive Workforce

Metric	To date	Indicative Social Value
Number of local people (FTE) employed on contract through construction phase activity (limited project level data available)	335	£9,633,930.00
Number of work placements or trails offered to unemployed Lancashire residents.	87	£51,834.60
Working days committed from business volunteers to mentor NEET ('not in education, employment or training') young people (16-18 year olds).	43	£37,811.62

Number of employment opportunities offered to Lancashire residents that are unemployed or at a disadvantage.	45	£853,425.00
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Skilled and Productive Workforce

Metric	To date	Indicative Social Value
Number of apprenticeships (16-18 year old and Adults).	622	£6,708,145.60
Commitment to workforce planning and investment in training of employees.	1050	£271,372.50
Investment in leadership skills	212	£1,424,576.40

Wider Community Benefits

Metric	To date	Indicative Social Value
Community based projects driven by the local communities in which the project is based.	146	£16,423.54
Procurement of local Lancashire based supply chain through the contract (limited project level data available)		£11,911,670.95
Procurement and commissioning of local SMEs and social enterprises / third sector organisations (limited project level data available)		£2,763,315.95

The South East Blackburn Link Road project in Blackburn with Darwen has continued to generate some impressive social value outputs through the delivery of the project. In addition to the hard outcomes in terms work placement and apprenticeships the project has also retained spend within the local economy with 70% of spend by value being local.

Where Casey, the main contractor, has been particularly successful is nurturing local partnerships to deliver a wide range of community benefits, from fund raising through to food banks.

Working together with Kays Traffic Management the project has donated essential food and other items to the Blackburn Food Bank. The two companies are also working on a Primary Schools Design A Playground with Graphics Competition with Kays with a road safety theme.

In partnership with MIND the company have organised a 'Casey Around the World Challenge' with staff set a challenge to walk, run or ride 40,075 kilometres (circumference of the earth) raising money for the mental health charity.

Through their partnership with Creative Support, a national provider of Health & Social Care, and buy in from their wider supply chain and subcontractors the project team have supported several community-based health and wellbeing activities. These include Creative Football events and fundraisers to encourage physical activity, reduce loneliness and raise awareness of mental health within the community.

City Deal Social Value

As reported in the City Deal Executive and Stewardship Report of the 3rd February 2021, the Preston Western Distributor project has generated some very positive results in generating social value during the first year of the construction phase of the project despite the very challenging conditions of operating a large scale site amidst the Covid-19 Pandemic.

In brief at the end of year 1 the project had generated the following outputs:

- 40.6% of spend this year is being made with local companies within 25 miles of the project
- Costain, the main contractor, has 30% local staff on the project, with 83 staff on site of which 25 live in the locality
- A total of eight apprentices are currently working on the project
- The project has provided opportunities for a total 14 ex-military members of the team, from main contractor and many supply chain partners
- Barratt Group – the formwork contractors have 21% BAME staff on their team, and 47% of their team are local to the project
- 66.6% of Frameworks labour agency staff are local to the project

In the construction sector, the Skills Hub continues to work closely with partners and developers across the county to provide employment and skills opportunities for local people. The Skills Hub are working with the Construction Industry Training Broad and Procure Plus on the roll out of the Construction Skills Fund across Lancashire.

The programme is geared toward providing training and placements for new entrants/returners to the sector with a focus on priority and under-represented groups secure employment in the sector.

Despite the restrictions caused by the Covid-19 pandemic the programme continues to deliver some very positive results (see below). The Skills Hub will continue to be an active member of the Construction Skills Fund Board and scope opportunities across LEP programmes and projects.

Construction Skills Fund: 1st April 2020 – 6th April 2021	Lancashire
Training Completions	132
Employed to date	55
Diversity – All Trained	
BAME Trained	9
Female Trained	7
Learning difficulty and/or disability and/or health problem.	17
NEET Trained	51
Ex-Offender Trained	11
Care Leaver Trained	7
Unemployed >6months Trained	60
Unemployed <6months Trained	75

The Construction Skills Fund came to a close for new starts at the end of March 2021 and will be superseded by the Onsite Experience programme which will continue to provide employment and skills opportunities for Lancashire residents.

One of the many projects participating in this programme is the Preston Western Distributor scheme which has provided a total of four opportunities to date including Steven, whose transformative story is told in the attached case study.

As previously outlined in the LEP Board Update, the Skills Hub continue to work Wilmott Dixon and L&Q/Trafford Housing Trust, to develop an ambitious social value programme for the D'Urton Lane development.

In addition to a range of positive outputs already generated on the project which include:

- 4 Local Employment Opportunities
- 6 Careers Information Sessions
- 4 Apprenticeship Opportunities
- 2 Weeks Work Placement
- 207 Pupils Engaged
- Series of Preston College Masterclasses

The project team are working with an extensive range of local partners to realise their social value offering including Preston's College, Inspira, Preston City Council, DWP, Calico, Procure Plus.

On the community front the project team are currently working with the Intact Community Centre to build a Sensory Garden and install fencing and Trafford Housing Trust have established a longer term partnership to support the centre going forward.

Wilmott Dixon have actively engaged with their supply chain to identify circa 10 Kickstart opportunities in a range of trades. The team are also working in partnership with the Lancashire Careers Hub to put together work based learning activity for Preston Muslim Girls School and The Larches High School, a Preston secondary alternative provision school which provides full time education for pupils who are not able to access mainstream educational provision.

Monitoring & Reporting

The City Deal Skills and Employment Coordinator will work closely with the contractors nominated Community Relations Manager to identify opportunities with the principle contractor and wider supply chain.

Performance across these projects will be monitored on a half yearly basis throughout the construction phase of the projects. Project performance data will be submitted to the City Deal Project Team and reported to the City Deal Executive and Stewardship Board for review annually.



Activity/Event	Tackling Construction Skills Shortage: Stevens Story
Date	May 2021
Beneficiaries	Local Unemployed Residents
Delivery Partner	Costain, Procure Plus and CITB
Framework Theme	Inclusive Workforce

Meet Steven

Steven is currently working on the Preston Western Distributor and East-West Link Road with Costain as a Vehicle Banksman.

Prior to this opportunity, Steven hadn't worked for coming up to 12 years having had to leave work to become a full time Dad, following his partner suddenly and unexpectedly becoming very poorly following the birth of their son.



About the On-Site Experience Commission

Fully funded by CITB, the On-Site Experience Commission aims to increase the number of people trained in construction supported by the opportunity to gain actual experience (and subsequently – employment) as a way of continuing to tackle the skill shortage across the UK spanning the next 3 years. Procure Plus has been awarded the commission in Lancashire.

Steven's Story

Following a marital breakdown, Steven's circumstance deteriorated during which he found himself living in a homeless shelter for 2 months prior to securing himself a flat in late 2020 – which was a key turning point in Steven getting his life back on track.

In January, Steven visited his local community support for a food parcel and it was during this meet that Progress Futures asked Steven what other support they could provide for him. It was that conversation that sign posted Steven to Procure Plus and we immediately signed him up to do his Health & Safety L1 and CSCS touchscreen test.

Meanwhile, Procure Plus were fully engaged with Costain who were keen to recruit from the local communities as part of their social value commitment. Steven was identified as an ideal candidate for one of their Vehicle Banksman and received additional training to secure his NPORS certificate. Following 2 weeks of paid on site experience, Steven was offered a full-time role on the Preston Western Distributor project.

What difference has this opportunity made to you?

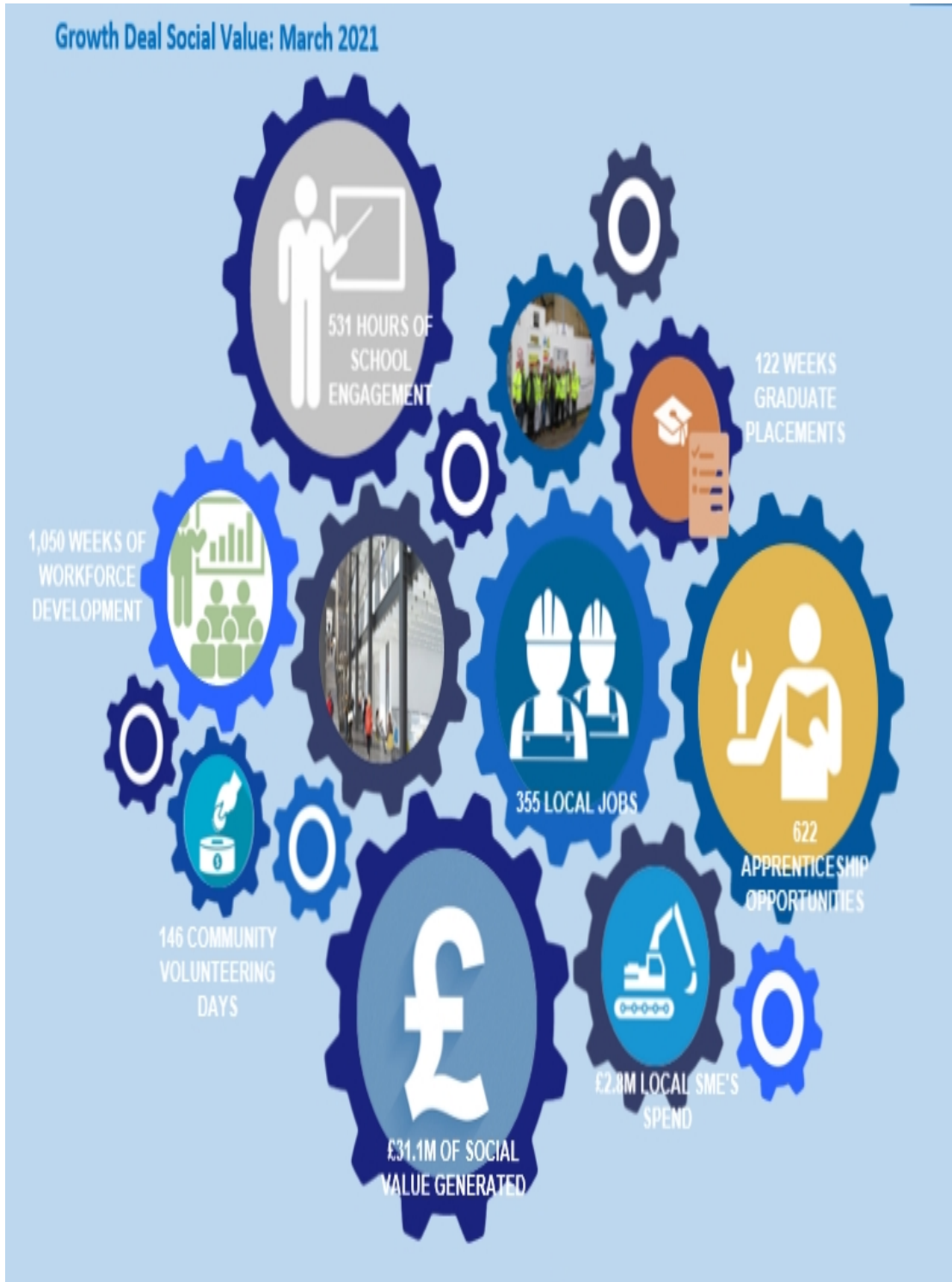
"It's made a massive difference and has opened a whole new door of opportunities for me. Me and my son are already able to do more things as a family together. I have the means to take us places, to do things and to enjoy life a bit more. It means I can now plan for the future more than I ever could.

One of the things I'll be doing for sure is finally learning how to drive with the hope of hopefully owning my own car – which will open up more opportunities again. It's given me much needed financial security, a sense of purpose which has been a huge boost for my overall wellbeing."

Feedback from Steven's Foreman

"Steven genuinely works hard, is always on time, is enthusiastic and forward thinking - which is perfect for me. His level of effort is 100%. He sets a great example to people around him - and he's got a cracking good sense of humour which is an added bonus!"

Dan Grant Foreman, PSI Global



LEP Programme Risk Register

Details of Risk				Inherent Risk Score
Ref	Risk Description	Result	Owner	
1	Growing Places			
1.1	Growing Places Fund fails to deploy funds	No income to the LEP from this work stream. This will limit the LEP's ability to deliver economic impact in Lancashire	Commercial & Business Support Manager	12
1.2	Impact of Covid 19 on existing loans, pipeline and ability to deploy funds	Existing loans may not be able to repay on a timely basis, may want suspension of interest for a period of time, pipeline could fall away and little interest in fund due to other preferable offers	Commercial & Business Support Manager	20
1.3	Failure for the loans to be repaid	Loss of interest income and loss of capital meaning less funds to deploy in the long term	Commercial & Business Support Manager	12
1.4	Failure to grow the pipeline	Lack of growth in the pipeline will result in no more loans being agreed, therefore loss of income for the LEP	Commercial & Business Support Manager	12
1.5	Failure to achieve strategic impact	Lost opportunity to feed into the Strategic Framework and deliver impactful outcomes for the Lancashire economy	Commercial & Business Support Manager	12
2	Growth Deal			
2.1	Realising the strategic potential of the collective programme	Lost opportunity to extract strategic impact from the programme,	Programme Manager	6

2.2	Failure to deliver the contracted targets (expenditure / outputs)	High reputational damage to the LEP with Government and local population. Impact on ability to secure future funding from Government.	Programme Manager	12
2.3	COVID-19 Impact	Some programmes closed down, some slowed down, some using alternative ways to deliver	Programme Manager	15
2.4	State Aid and Subsidy Control	Funds clawed back by Government / European Commission	Programme Manager	6
2.5	Unable to attract future funding opportunities re lack of performance	Lost opportunity to deliver significant impact	Programme Manager	8
3	Enterprise Zones			
3.1	EZ's fail to achieve strategic objectives including attracting inward investment growth businesses in specific sectors	Few businesses locating on the EZ's with critical mass of clusters not achieved.	Business Support and Commercial Manager / Programme Manager	20
3.2	Insufficient businesses locate on the EZ's to generate the business rates needed to repay the cost of infrastructure and utilities.	LEP are servicing a large debt without the necessary income to repay	CEO/ Business Support and Commercial Manager / Programme Manager	15
3.3	EZ enquires to be shared across EZs.	Enquiries lost and opportunities missed for businesses to locate on to an appropriate site in LAMEC	Business Support and Commercial Manager / Programme Manager	12

3.4	Lack of fiscal incentives leading to lack of enquiries	Lost momentum on EZ activity. Reduced ability of EZ's to repay prudential borrowing from business rates growth.	Business Support and Commercial Manager / Programme Manager	16
3.5	Covid-19 impact on delivery of sites	Delays in construction, temporary lack of market demand and negative impact of the pandemic on existing businesses on sites.	Business Support and Commercial Manager / Programme Manager	20
3.6	Site issues causing delays in delivery	Delays in planning, need for flood mitigation measures, utility upgrades, purchase rights over land and restrictive agreements	Business Support and Commercial Manager / Programme Manager	20
4	Skills Hub			
4.1	Skills and Employment Advisory Panel (SAP) effectively established and delivering against government guidance in relation to governance and analytical role	Inability to deliver against the Lancashire Skills and Employment Strategic Framework and drive up skills and employment across the local labour market	Director of the Skills Hub	16
4.2	Implementation of the Lancashire Skills and Employment Strategic Framework and allied Lancashire Technical Education Vision	Inability to deliver against the Lancashire Skills and Employment Strategic Framework and drive up skills and employment across the local labour market	Director of the Skills Hub	16

4.3	Dependency on the ESIF programme to provide business support and skills and employment programmes and deliver against strategic priorities	Impact on provision to support business resilience and business growth, and drive a skilled, productive and inclusive labour market	Chair of the ESIF Committee	20
4.4	Disruption to the continuation of the Lancashire Digital Skills Partnership (launched in April 2018) which was formed to drive up digital skills across Lancashire.	No funding for this work stream including the salary costs of the DSP Coordinator post. Current objectives linked to the increase in the digital skills of Lancashire's businesses and residents will be difficult to achieve without this resource.	Director of the Skills Hub	16
4.5	Dependency on partnership and funding from the Gatsby Foundation to implement the Technical Education Vision	No core funding for this work stream including the salary costs of the Technical Education Manager and Officer.	Director of the Skills Hub	16
4.6	Dependency on DfE funding and continued commitment to the government's Careers Strategy for the Enterprise Adviser Network and Careers Hub across Lancashire. Dependency on match funding locally via LCDL, Local Authorities and the LEP	Careers and Enterprise Company cease to exist due to DfE funding and national model collapses. Reduction in the quality of careers provision in schools and colleges across Lancashire impacting on aspiration and social mobility, and future talent pipeline.	Director of the Skills Hub	16
5	Boost			

5.1	Failure to deliver the contracted targets (expenditure / outputs)	Funds clawed back by Government / European Commission	Head of Business Growth	12
5.2	Risk over market dilution in regard to start up business support particularly the universities – what offers/volumes are there?	This has the potential to pose a threat to our business support simplification agenda, unless symbiotic relationships are developed and maintained with business support agencies offering similar products and services. There is need to hide the wiring and provide a seamless service to Lancashire businesses, thereby reducing or completely removing any ambiguity regarding where to access best business support.	Head of Business Growth	12
5.3	Covid risks to Boost delivery profile along with risks to individuals/workers	Assimilation of information coming out of government with regards to Growth Hubs and to pivot from Growth messages to supporting businesses messages.	Head of Business Growth	6
6	City Deal			

6.1	Failure to deliver housing and jobs target.	Loss of income for the local authorities due to lack of new homes bonus and future council tax receipts. Lack of house building due to lack of demand (job creation)	City Deal Programme Manager	16
6.2	Covid risks to the delivery of City Deal	Core outputs in this programme relate to housing and jobs, which are likely to be hugely impacted by a downturn in the housing and employment markets	City Deal Programme Manager	16
6.3	Changes to the planning system arising from recently published planning white paper could impact on income into the deal from CIL and S106 payments.	Delays to the programme may occur as solutions to the issues are resolved and core outputs may not be achieved	City Deal Programme Manager	16
7	Inward Investment			
7.1	Covid 19 impacts the number of Inward Investment enquiries	Foreign Direct Investment has shrunk as a result of the pandemic	Business Support and Commercial Manager/Head of Business Growth	20
7.2	The failure of the UK economy to bounce back and prove attractive to foreign investors	The UK is in a longer recession than the rest of the world. As a result the UK is not attractive to Foreign Companies	Business Support and Commercial Manager/Head of Business Growth	29
7.3	The appetite of Foreign Owned Companies to invest	As a result of the pandemic, Brexit and recession Foreign Owned Companies do not go ahead with investment plans.	Business Support and Commercial Manager/Head of Business Growth	20

7.4	Foreign Owned Businesses looking to shrink its business or withdraw from the UK	As a result of the global pandemic and recession Foreign Owned Companies decide to withdraw from the UK.	Business Support and Commercial Manager/Head of Business Growth	20
7.5	The Lancashire offer is not understood by investors and third parties promoting Lancashire	Lancashire are not getting enquiries in order to put forward their offer	Business Support and Commercial Manager/Head of Business Growth	20
8	Getting Building Fund			
8.1	Failure to deliver the contracted targets (expenditure / outputs)	High reputational damage to the LEP with Government and local population. Impact on ability to secure future funding from Government.	Programme Manager	12
8.2	COVID-19 Impact	Some programmes closed down, some slowed down, some using alternative ways to deliver	Programme Manager	20
8.3	Subsidy Control (previously state aid)	Funds clawed back by Government / European Commission	Programme Manager	6
8.4	Unable to attract future funding opportunities re lack of performance	Lost opportunity to deliver significant impact	Programme Manager	8

Reported to LEP Board

Existing Controls	Residual Risk Score
Quarterly Performance Reporting Urgent Business Procedure for new loans and changes to existing loans Growing Places page on LEP website with Expression of Interest Word of mouth marketing	6
Quarterly Performance Reporting Flexibilities from Government regarding Growing Places criteria Board have agreed to support two borrowers that have asked for suspension of interest and time to pay interest invoice and time to repay loan.	9
Quarterly Performance Monitoring Robust Facility Agreements with step in rights Monitoring Reports from the LEP's monitoring Surveyor Annual accounts from the borrowers Monthly monitoring as per the terms and conditions of the Facility Agreements	6
Quarterly Performance Monitoring Promoted on the LEP website with an Expression of Interest form Prompt response to emails from the LEP mailbox	6
Quarterly Performance Monitoring Sector Working Groups	6
LEP has core team of staff re the delivery of individual programmes	4

Quarterly monitoring of targets / metrics, reporting to Growth Deal Management Board and LEP Board. Corrective action measures implemented where required. Social Value reporting	6
Identify financial solutions for the programme and each project, Support Project Managers in the delivery of projects, Increase monitoring visits when safe to do so, Continue to work with BEIS, Report to LEP Board / Sub Committees.	6
Continue to collate annual data for onwads reporting to CLG on a timely basis Identify on-going process to report existing state aid via SANI2, and potentially any new subsidy controls requirements.	20
Information on progress and successful projects on LEP website. PR undertaken on a re-active basis.	6
Clear understanding of the strategic objectives by partners and robust reporting to EZ Committee and LEP Board Fiscal Incentives in place, simplified planning process (LDO) or Local Plans in place and targeted marketing of sites EZ enquires to be shared across 4 sites Engagement with the Department of International Trade. Engagement with LEP network regarding an case for a refresh of EZ's Engagement with key sector partners and agencies, and growth of business development opportunities through provision of Sector Propositions by LEP working groups Samlesbury Commercial Development Framework updated Samlesbury pipeline of enquiries increased	16
Enterprise Zone Governance Committee quarterly reporting Strategic Marketing activity co-ordintaed with key	15
Quarterly performance data on enquiries received at EZ Committee Co-ordinated enquiry handling process agreed and adopted Strategic & co-ordinated marketing campaign	9

<p>Ongoing engagement with the LEP Network and the UK EZ Network Proposition into the Comprehensive Spending Review from LEP Network Link into other government policies such as Freeports, Department for International Trade new Export and Investment Strategy</p>	<p>9</p>
<p>Safety guidelines now in place Getting Building Fund allocation for some infrastructure work on one site Enterprise Zone Governance Committee quarterly reporting</p>	<p>12</p>
<p>Enterprise Zone Governance Committee quarterly reporting</p>	<p>12</p>
<p>SAP Terms of Reference aligned with guidance from government and approved by DfE. Analytical capacity enhanced through the appointment of a Skills and Economic Intelligence Offer. Grant currently in place until end of March 2021. A further grant has been confirmed and received for financial year 2021/22. Likely to be last grant from DfE.</p>	<p>9</p>
<p>Implementation of the framework is monitored by the SAP.</p>	<p>9</p>

<p>ESIF Committee aligned with the LEP Board - engagement with key government bodies to influence future programme, articulating Lancashire priorities</p>	<p>16</p>
<p>Digital Skills Partnership Steering Group in place with DCMS and local partners. Work closely with national colleagues at DCMS to understand policy direction of travel, communicate local successful impact, communicate necessity for continued funds from DCMS and the return on investment.</p> <p>Work with stakeholders in Lancashire to take ownership and contribute to the achievement of the DSP objectives.</p>	<p>6</p>
<p>Technical Education Steering Group - oversight of project plans for Technical Education. Work closely with The Gatsby Foundation to understand policy direction of travel, communicate local successful impact, communicate return on investment.</p> <p>Work with stakeholders in Lancashire to take ownership and contribute to the achievement of the Technical Education objectives and build sustainability beyond the funds.</p>	<p>12</p>
<p>Working to raise the profile of the work with DfE to demonstrate impact of partnership with CEC on careers aspirations of young people. Action Plans in place locally to drive performance - robust subcontracting process in place with delivery partner, Inspira</p>	<p>9</p>

<p>Delivery organisations (prime and sub-contractors) have been asked to review and submit realistic financial and output profiles based on their current pipeline on a quarterly basis to PMT. PMT continue to manage performance and monitor projects for quality and compliance. PMT are providing technical and moral support to delivery organisations to help them achieve their output profile targets.</p> <p>Contract Review Meetings are taking place every six weeks. Processes are in place for providing quarterly Project Progress Reports to Business Support Management Board members and Funding Authority, Ministry for Housing, Communities and Local Government (MHCLG). Challenges and opportunities are discussed at Operational Group Meetings, where all prime contractors as well as sub-contractors are present. In addition, Boost stand-up meetings are providing opportunities for suppliers to collaborate with other business support agencies and private businesses in Lancashire.</p>	6
<p>Ongoing discussions with universities and other business support agencies providing similar offers and services.</p> <p>Marketing and communication plan in place.</p>	3
<p>Guidance sought from MHCLG on implications for project delivery profile and contracted targets.</p> <p>Informed businesses and individuals regarding government and NHS guidance on social distancing.</p> <p>Supported businesses and individuals in the recovery phase of pandemic PMT to reviewed latest guidance and communicated flexibilities to delivery partners.</p> <p>Contract Review meetings.</p> <p>Business Support Management Board quarterly reporting.</p> <p>Weekly reporting to BEIS re Covid and Brexit issue.</p>	3

City Deal Combined Executive and Stewardship Boards quarterly reporting	12
City Deal Combined Executive and Stewardship Boards quarterly reporting	12
City Deal Combined Executive and Stewardship Boards quarterly reporting This risk has been completed but there is a risk that changes will occur wo the risk will be retained but re-worded.	12
Engagement with the Department of International Trade Engagement with the Northern Powerhouse Trade and Investment Group Working with other Northern LEPs to promote the Lancashire offer Engagement with the new Office of Investment raising the profile of a failed inward investment propositions due to lack of government funding and how this can be improved.	15
Work with the Department of International trade to promote the Lancashire offer, through their network of Embassies and Consulates worldwide. The new Office of Investment as part of DiT to promote the UK offer, including Lancashire's. Working with DiT on the Internationalisation Fund to ensure that Lancashire businesses get Trade grants to support export activities.	15
Lancashire Key Account Manager supports Foreign Owned Companies to access local and national support offers. Companies can access Department for International Trade data for building a business case for their internal processes to get the funding they need to grow. Trade bodies such as the Aerospace Alliance and the Northern Automotive Alliance supports Foreign Owned Companies in Lancashire and provides intelligence to the LEP.	15

<p>The Lancashire Key Account Manager works closely with Foreign Owned Businesses to ensure they are linked into local support offers in Boost, Lancashire's Growth Hub and Key Initiatives along with national programmes such as R&D Tax Credits, Patent Box and temporary super deduction tax on eligible capital investments.</p>	<p style="text-align: center;">15</p>
<p>Engagement with the Department of International Trade Engagement with the Northern Powerhouse Trade and Investment Group Working with other Northern LEPs to promote the Lancashire offer</p>	<p style="text-align: center;">15</p>
<p>Quarterly monitoring of contract targets, reporting to LEP Board. Quarterly reporting and review by CLG. Regular dialogue with each project. Corrective action measures implemented where required. Social Value reporting</p>	<p style="text-align: center;">6</p>
<p>Identify delivery solutions for the programme and each project. Support Project Managers in the delivery of projects. Increase monitoring visits when safe to do so. Continue to work with BEIS. Report to LEP Board / Sub Committees.</p>	<p style="text-align: center;">6</p>
<p>Identify process to report new subsidy controls requirements on transparency database, and further requirements.</p>	<p style="text-align: center;">9</p>
<p>Information on progress and successful projects on LEP website. PR undertaken on a re-active basis.</p>	<p style="text-align: center;">6</p>

Actions				Target Score	Action Status
Proposed Action Plans	Action Owner	Target Date			
Growing Places Marketing Plan Case Studies on the website PR on Growing Places Loans and successes Promotion through the Annual Report	Commercial & Business Support Manager	Jun-22	6	ongoing	
Growing Places Marketing Plan for each sector group New Criteria for Growing Places Loans for board approval Update website with new information PR on Growing Places Loans and successes	Commercial & Business Support Manager	Mar-22	6	ongoing	
Ongoing monitoring of live schemes as per the terms of the Facility Agreements, no concerns regarding the current schemes	Commercial & Business Support Manager	Jun-22	6	ongoing	
Marketing Campaign to commence if agreed by Board Any changes to criteria promoted on LEP website and through marketing campaign if agreed PR on Growing Places successes and impacts	Commercial & Business Support Manager	Jun-22	6	ongoing	
Alignment of marketing activity with KPIs of Strategic Framework to be agreed with the Board and priorities of the Local Industrial Strategy and Recovery Plan PR on Growing Places successes and impacts	Commercial & Business Support Manager	Jun-22	6	ongoing	
Align programmes to strategic framework. Cross programme links to maximise growth.	Programme Manager	Mar-22	4	ongoing	

Clarify government targets, On-going monitoring, Members Direction, Bring forward projects which address gaps in performance, Change control measurers, Response to COVID-19 impact	Programme Manager	Mar-25	6	ongoing
Work with projects to implement government guidelines to enable them to continue with the projects and support with information regarding the whole programme targets and outputs.	Programme Manager	Mar-22	6	ongoing
Continue discussions with CLG and LCC colleagues as Accountable body to identify requirements, to ensure compliance. Ensure that LCC Legal Team complete SANI2 return to CLG to avoid challenge	Programme Manager	Aug-21	4	urgent
Clear Strategic Pipeline Identification of PR Communication Opportunities MP Engagement Successful Evaluation Collation of case studies	Programme Manager	Dec-21	6	ongoing
KPI's to be developed and reporting to Quarterly EZ committee. Ensure alignment to strategic framework Commission review of LAMEC sites to provide recommendations on improvements to performance. Pipeline of enquiries actively managed Joint Commercial Agent to be in place across all 4 EZ Sites	Business Support and Commercial Manager / Programme Manager	Dec-21	9	ongoing
Robust Business Rates agreements between LEP/LCC/ relevant Local Authorities, where appropriate Formal agreement between LEP and LCC regarding costs, interest rate charged and repayment Quarterly Performance Reporting included in Programme Report to LEP Board partners Joint Commercial Agent commissioned to support more efficient sharing of enquiries	Business Support and Commercial Manager / Programme Manager	Dec-21	9	ongoing
Plans to drive up enquiries and generate interest in the LAMEC sites Consistent KPIs to be developed and monitored, across EZ sites Joint Commercial Agent commissioned to support more efficient sharing of enquiries	Business Support and Commercial Manager / Programme Manager	Dec-21	6	ongoing

MPs briefings to take place with a view to working with UK network to support MPs lobbying of central government Refresh of EZ modelling assumptions	Business Support and Commercial Manager / Programme Manager	Dec-21	6	ongoing
Clear marketing strategy with implementation underway Refresh of marketing plan, website and social media Liaison with contractors on site to mitigate delays	Business Support and Commercial Manager / Programme Manager	Dec-21	9	ongoing
Liaison with accountable bodies, local authorities and site owners to deliver solutions to the issues.	Business Support and Commercial Manager / Programme Manager	Mar-22	9	ongoing
Monitor effectiveness of the SAP through regular DfE Reviews and the development of a Local Skills Report, which report on progress against the strategic framework.	Director of the Skills Hub	Mar-22	6	ongoing
Monitoring and Evaluation Framework in development as part of the refresh of the Skills and Employment Strategic Framework. Monitoring and Evaluation is undertaken annually.	Director of the Skills Hub	Jan-22	9	ongoing

Regular ESIF committees key government bodies to raise concerns and lobby. Performance and risks reported to the SAP and LEP Board. CRF funds launched through lead authorities in April 2021 and procurement process underway - approach and projects to inform development of UKSPF.	Head of Investment and Funding	Jan-22	8	ongoing
Further year's funding secured from DCMS until 2022. Plan in place to enable continued funding through the LCDL facility in Lancaster to fund the DSP Coordinator beyond funding from DCMS.	Director of Skills Hub and DSP Coordinator	Jan-22	6	ongoing
Funding from the Gatsby Foundation extended until the end of December 2021. Project Plan in place, overseen by the Steering Group.	Director of Skills Hub and Tech Ed Manager	Dec-21	12	ongoing
Funds agreed for academic year 2021/22 with CEC. Regular contract reviews with Inspira against the contract specification. Performance and risks reported to the SAP	Director of the Skills Hub	Aug-22	9	ongoing

<p>Organise meetings with Funding Authority, MHCLG to discuss about Project Change Request and any anticipated shortfall in C28, C29 output targets as well as remedial measures to address challenges faced by delivery organisations from changes dictated by the COVID-19 pandemic.</p> <p>Regular meetings organised with contractors, sub-contractors as well as other key stakeholders in the Lancashire business support echo system, especially with agencies supporting advanced manufacturing, engineering, aerospace and automotive companies to help businesses introduce new to the market or firm products, systems and processes.</p> <p>Enable wider collaboration with 34 plus business support agencies in the region.</p>	Head of Business Growth	Sep-21	6	ongoing
<p>Programme Management Team are having ongoing discussions with universities and other business support agencies to discuss about the 'crowded business support landscape' across Lancashire.</p> <p>Ongoing discussions with marketing service provider and LCC corporate communications team to create meaningful, manageable and clear messages for the target audience.</p>	Head of Business Growth	Sep-21	3	ongoing
<p>Twice a week update from Boost direct service providers at stand-up meetings.</p> <p>Regular discussion regarding content and strategy for Boost messages directed at Lancashire companies with marketing service provider and Boost contractors (and sub-contractors).</p> <p>Boost website maintenance and ensuring that content as well as look and feel is regularly updated accordingly.</p> <p>Awaiting formal approval regarding Project Change Request documents submitted to Funding Authority, (MHCLG).</p>	Head of Business Growth	Sep-21	3	ongoing

Continue to work with South Ribble and Preston councils on the City Deal Review Work with Government regarding the New Homes Bonus.	City Deal Programme Manager	Dec-23	9	ongoing
Continue to work with Government regarding a recovery plan	City Deal Programme Manager	Mar-22	9	ongoing
Respond to the City Deal consultation on the planning white paper by 29 October	City Deal Programme Manager	Mar-22	9	Complete
Department of International Trade are revising their Investment Strategy to ensure that UK remains attractive to Foreign Direct Investment post Brexit	Business Support and Commercial Manager/ Head of Business Growth	Dec-21	12	ongoing
Working with DiT Export Manger on the Lancashire Export Plan	Business Support and Commercial Manager/ Head of Business Growth	Dec-21	12	ongoing
Lancashire Key Account Manger reporting to DiT will ensure real time data is captured and can be acted upon. This information feeds into the LEP's sector groups where appropriate and informs policy and interventions. Not all sectors are affected and there are some oppotunities for growth.	Business Support and Commercial Manager/ Head of Business Growth	Dec-21	12	ongoing

Sector groups of the LEP engage with Foreign Owned Companies so policies and interventions include their input. The Lancashire Key Account manager raises concerns with DiT/LCC/LEP if companies are considering withdrawing from the UK to inform policy and interventions.	Business Support and Commercial Manager/ Head of Business Growth	Dec-21	12	ongoing
Feedback from lost enquiries reviewed to improve the Lancashire Proposition. The Internationalisation Strategy in the process of being commissioned will assist Lancashire to proactively target inward investment opportunities.	Business Support and Commercial Manager/ Head of Business Growth	Dec-21	12	ongoing
On-going monitoring, Members Direction, Bring forward projects which address gaps in performance, Change control measurers, Response to COVID-19 impact	Programme Manager	Mar-25	6	ongoing
Work with projects to implement government guidelines to enable them to continue with the projects and support with information regarding the whole programme targets and outputs.	Programme Manager	Mar-22	6	ongoing
Continue discussions with CLG and LCC colleagues as Accountable body to identify requirements, to ensure compliance. Working with LCC Legal Team to report Subsidy Control now all projects contracted.	Programme Manager	Oct-21	4	ongoing
Clear Strategic Pipeline Proactive approach to PR Communication Opportunities MP Engagement Collation of case studies	Programme Manager	Mar-22	6	ongoing

Agenda Item 14

(NOT FOR PUBLICATION: By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

Document is Restricted

Appendix J

(NOT FOR PUBLICATION: By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

Document is Restricted

Agenda Item 15

(NOT FOR PUBLICATION: By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

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Appendix A

(NOT FOR PUBLICATION: By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

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Appendix B

(NOT FOR PUBLICATION: By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

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Agenda Item 16

(NOT FOR PUBLICATION: By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

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