

CHESHIRE AND WARRINGTON LEP

CHIEF EXECUTIVE'S REPORT

MAY 2023

Summary

1. Notwithstanding the work that the LAs are doing on the future delivery of the LEP's functions, the team is continuing to deliver the current programme, including a strong presence at UKREiiF, an accelerating programme to deliver industrial decarbonisation, and further investments from Life Sciences Fund 2 and Evergreen. We are also working with Youth Fed to ensure the successful delivery of the Pledge programme through to September 2025.

Local Election Results

2. All of the members of Cheshire East and Cheshire West councils were up for re-election on 4 May. There was a clear-cut outcome in Cheshire West with Labour increasing its representation from 35 seats in a 70 member council to 39. In Cheshire East, on an 82 seat Council, the Conservatives had a net loss of one seat to drop to 33, and Labour increased its representation from 25 to 31. Following "intense negotiations" with both main parties it was announced that on 16 May that the Independents will work with Labour again for the next four years. Once both Councils have confirmed their leaderships via their Annual meetings we can expect them to look to make quick progress with some of their key policy priorities, including about how they want to take forward sub-regional working.

Transfer of LEP Functions to the LAs

3. LA officers have been giving further consideration to how they want to organise the delivery of the LEP's functions following their transfer across from the LEP. We have provided them with some further information about the LEP's income and assets and staffing structures, along with a very high-level analysis of the legal implications of alternative routes for the transfer itself. A more detailed analysis from Mills and Reeve, our retained General Counsel, is on the agenda for later in the meeting.

NP11

4. I am delighted to let you know that Clare will be taking over as Chair of the NP11 group of Northern Powerhouse LEPs on 1 June. Her key role will be to oversee its evolution into a broad-based Pan Regional Partnership for the North. Alongside this it has also been confirmed that funding for NP11 / Northern PRP will increase from £500k pa to £750k in 2023/4 and to £1 million in 2024/5.

Pledge / Enterprise Co-ordinators

5. We have recently received a letter from DfE's Careers and Enterprise Company (CEC) confirming funding for the Enterprise Co-ordinators that forms the LEP's part of the Pledge programme that we run with Youth Fed. It says that CEC is able to fund 1.3 fewer staff in 2023/4 than in 2022/3, and that there will be a further reduction in funding in 2024/5. The Pledge programme as a whole is funded from a variety of different sources, and we are therefore working with Youth Fed on a funding and staffing programme for the entire programme that will take us through at least to the end of the next academic year. As part of this we are looking at whether we can implement the proposal agreed as part of the 2022 LEP Review to transfer responsibility for day-to-day delivery of the Enterprise Co-ordinator programme to an external body.

UKREiiF

6. Marketing Cheshire organised Cheshire & Warrington's presence at the UK Real Estate Investment and Infrastructure Forum in Leeds from 16-18 May. The three LAs had a number of slots on our stand to present key investment opportunities such as the Origin industrial area in Ellesmere Port, Warrington Bank Quay and HS2 at Crewe, all of which attracted a lot of interest from delegates at the event. The MC team also organised a very well attended dinner and drinks reception in a restaurant close to the exhibition centre sponsored by CBRE and the Evergreen Fund.

Cheshire and Warrington Urban Development Fund / Evergreen Funds

7. CBRE manage the C&W Urban Development Fund for the sub-region which recently met the third (of four) investment milestones, allowing it to drawdown the next tranche of ERDF funding, bringing the total claimed to £15million. The final £5 million drawdown of ERDF is expected within a few months. CBRE operate the fund as part of the suite of Evergreen Funds which invest in commercial property developments across Manchester, Lancashire and Cheshire. Despite the recent rise in interest rates and inflationary pressures on construction, the pipeline remains strong.

Industrial Decarbonisation

8. A lot of work is underway on industrial decarbonisation. The Board Task and Finish Group on broadening business understanding and engagement in the net zero programme is on 26 May; Social, our PR advisers, are preparing some material and will be chairing another meeting of energy industry PR teams shortly after the Bank Holiday focussed on engagement with the general public; and we are about to go out to tender for a significant piece of consultancy work, on behalf of industry partners, taking the first steps towards establishing an agency to co-ordinate the delivery of the £30 billion industrial cluster decarbonisation programme.
9. Alongside this we also convened a second meeting of the group of larger businesses that have been exchanging best practice on de-carbonising their own operations. Encirc provided

an excellent a tour of their manufacturing plant and colleagues from Chester Zoo and Net Zero North West joined a group that already includes Bentley, Barclays, Astra Zeneca and Annette McDonald representing the large estates. The group has agreed to continue meeting a couple of times a year and to consider the role they can play in strengthening C&W's net zero credentials given the leverage of their brands.

North West Start Up Awards

10. The North West Business Start Up Awards take place in Liverpool in May and the Growth Hub are one of the judges. Over 3,000 applications have been received and there is a specific category for new Cheshire start up. These awards run across the UK and we are pleased to be able to support local businesses to raise their profile and gain valuable recognition.

Energy Audits

11. The Growth Hub recently completed a pilot of 10 energy audits with small businesses across Cheshire and Warrington. The initial results have now been received and are very promising they indicate that with the right implementation both energy bills and carbon emissions can see a significant reduction. There is more work to do but we hope to follow this up with a further round of audits and analysis later in 2023.

Understanding the Barriers to Digital Connectivity

12. The study commissioned by the LEP is reaching its conclusion and the report will be made available on the LEP website. It has explored the current status of infrastructure (supply side) alongside digital inclusion and demand (affordability, skills and attitudes) bringing together local authorities, Connecting Cheshire, NHS, Age Concern and Housing associations. A key conclusion is that while infrastructure coverage in the sub-region is generally good, there remain some areas with poor connectivity and our research has confirmed user experience does not always correlate with the published Ofcom data.
13. The challenges presented on the demand side are arguably more relevant for future economic activity and productivity. Take up can be mixed for a variety of reasons and while partners often have initiatives, they are not always aware of the work others are doing. With the Digital Skills Partnership funding coming to an end in July, the LEP will consider how to maintain and strengthen the networks to share information and knowledge and track progress.

Life Sciences Fund 2 (LSF2)

14. LSF2 recently completed its fifth investment, contributing £600k towards a £1.5M injection into ScubaTx, a company that has developed technology that extends the viability of donated organs for transplant. A copy of the press release is attached.

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