

---

## **EXCERPT FROM THE MINUTES OF THE ECONOMIC GROWTH SCRUTINY PANEL HELD ON 20 AUGUST 2020**

---

### **EGSP.40/20 LOCAL ENTERPRISE PARTNERSHIP UPDATE**

The Chair welcomed Ms Lappin, Chief Executive of the Cumbria Local Enterprise Partnership (CLEP) to the meeting.

The Corporate Director of Economic Development gave a verbal update on the background, role, responsibilities and strategic direction of Cumbria LEP. She highlighted current / recent investments for Carlisle which included £3m of Growth Deal to develop Carlisle Citadels; £4.95m of Growth Deal for Carlisle Airport enhancements; an investment of over £3m in facilities to deliver improved skills provisions including the Advanced Manufacturing Centre at Carlisle College and STEM facilities at the University of Cumbria; investment of £2m to Durranshill Industrial Estate, and investment of approximately £4440,000 to upgrade Sewell's Lanning.

Ms Lappin gave a presentation updating the Panel on the Cumbria LEPs response and recovery plan with regard to the Covid 19 pandemic. A copy of the presentation had been attached to the agenda (ED.31/20). She set out some background to the CLEP, the Governance Structure and the CLEP's role in recovery. The CLEP had chaired the Business and Economy Response and Recovery Group (BERRG) of the Local Resilience Forum, the BERRG's priorities had been set out in the presentation.

The presentation included an Economic Vulnerability Index which demonstrated the Cumbrian workforce by risk category, the impact on employment especially in areas which were heavily reliant on visitor economy, economic contraction since the start of the pandemic in comparison to national figures and the claimant figures for the Furlough and Self Employment Income Support Schemes.

Ms Lappin highlighted the UK Forecast Economic Output and the UK Forecast Unemployment Levels charts and the three scenarios which had been used to model the recovery estimates, she added that the end of the Furlough scheme in October would impact the models and actual figures would be used.

Ms Lappin took the Panel through the CLEP's recovery planning model of Restart, Reboot and Rethink along with a headline summary of one of the recovery plans. The presentation set out the Local Industrial Strategy strategic priorities, the short, medium and longer term impact of the priorities and the priority activity. The Transport Investment Priorities, which had been presented to government as medium to short term priorities for investment in Cumbria, were set out in the presentation and Ms Lappin highlighted the priorities relevant to Carlisle.

The presentation set out the rethink priorities which would be progressed with partners and an update on the work being carried out by the CLEP with regard to Brexit.

In considering the CLEP update Members raised the following comments and questions:

- How would the CLEP engage with the Centre for Local Economic Strategies (CLES) to develop and implement reboot Cumbria's commitment to inclusive growth? Was it, and would it remain, a priority for the CLEP?

Ms Lappin confirmed that the CLEP had a commitment for inclusive growth and felt strongly that nobody should be left behind. The Local Industrial Strategy had three touchstones, Inclusive Growth; Decarbonisation and Productivity. The CLEP felt that those that were furthest away from the labour market pre Covid would now be even further away and, as part of the recovery plan, the CLEP was considering how inclusive growth would look in the future. Work had been undertaken with CLES, who had prepared a draft report. Discussions were scheduled to consider the report and how it would be taken forward.

In response to a comment Ms Lappin clarified that the CLEP, as part of the Internationalisation Strategy, were looking at Cumbria's supply chains and opportunities for a wider market.

- What is the CLEPs role in the Freeport?

Ms Lappin responded that the Freeport was at the development stage, the CLEP understood the challenge that would arise due to the strong competition for a Freeport as there were only ten Freeports in the UK. The CLEP had proposed a multi centre, multi modal Freeport which would increase the volume of goods that could be put through and encourage the Government to select the area. The project was at the consultation stage and the application process had not yet opened. The CLEP were encouraging all MPs in the area to promote the Freeport and the interests of Cumbria. The City Council were working closely with the CLEP regarding the airport and it would be part of a Cumbria wide offer.

- A Member asked for an update on the CLEPs role in the airport following the loss of the commercial provider.

Ms Lappin reminded the Panel that it was an unprecedented time for the airline industry and the CLEP needed to remain a patient, sensitive investor. The CLEP would continue to support the airport and would do everything they could to encourage new providers to the airport and gain support from the Department for Transport.

- Was the £60m funding for the CLEP annual and would the Brexit deal result in any lost funding for the CLEP?

Ms Lappin clarified that the £60m funding had been a six year deal which would end in March 2021. The Government had awarded an interim allocation of £10.5m from March 2021 to March 2022. The CLEP had received EU funding through the European Structural and Investment Funds (ESIF) but it had been difficult to spend the funding due to restrictions which resulted in key sectors in Cumbria not being eligible to access it. The CLEP had been promoting Cumbria's reputation for delivery and this had resulted in other funding being

secured to deliver projects such as the Borderland Inclusive Growth Deal. The CLEP were lobbying government to provide replacement funding through the Shared Prosperity Fund, an announcement had been expected in July, this had not yet happened.

- What work was required to establish the Public Service Obligation (PSO) and what could be done to move that work along?

Ms Lappin felt that Carlisle had done everything it could to support the PSO at this point in time. The City Council and local MPs were using all of their influence to push the Department for Transport to make a decision.

- The presentation highlighted the importance of road and rail links and set out the priorities, one area of investment not addressed was the rail link from the west coast to the east coast.

Ms Lappin understood the need for an improved west coast/ east coast rail link and reminded the Panel that the priorities had been determined as it was believed that they could be agreed by the Department of Transport. She added that, if it was felt to be a priority, the CLEP would work with the City Council and County Council to add the matter to the agenda.

- What support was available for new business set up and for existing businesses post Covid 19 who already provided jobs?

Ms Lappin reported that the CLEP contracted the Chamber of Commerce to provide start up advice for new businesses through the Growth Hub and the European Regional Development Fund. With regard to existing business she commented that the 'bounce back loans' had been important in providing cash flow for businesses and the furlough scheme had taken the pressure off businesses, however, the CLEP had serious concerns about the support for the businesses when the loans needed to be paid back and when the furlough scheme ended. The CLEP were in conversation with government to determine how best to support those businesses.

- Referring to business recovery a Member asked if there had been any positives recorded from the recovery activity and how would it shape the economic development in Cumbria in the long term.

Ms Lappin responded that there had been some opportunities for local businesses, the CLEP had seen businesses react very quickly to meet new market needs and had moved to online sales, home delivery and some had changed their business to produce PPE. In addition the visitor economy had seen individuals and families visiting the area who had never been before, the Rethink agenda looked at these changes and considered where the opportunities were.

In response to a further question Ms Lappin explained that the CLEP wanted local authorities to work with BERRG so that the recovery plan involved everyone, and the roles were clear.

- The Economy, Enterprise and Housing Portfolio Holder sought assurance that the CLEPs Skills Programme was still a priority.

Ms Lappin reassured the Portfolio Holder that the CLEP continued to provide the same resources and commitment to link education and work. The CLEP were in conversation with the DWP to make sure that local engagement was agile and made the link between people coming out of work and opportunities in the economy.

- Was there a break down of the emerging skills need and of job loss by sector in Cumbria available?

Ms Lappin explained that there had been a good break down of skills need pre Covid, however, the impact on employment and businesses was not yet known. Once the unemployment figures were known the CLEP would have a better understanding of the emerging skills need and employment issues.

- Did the CLEP have any influence in the provision of broadband to rural areas?

Ms Lappin responded that Cumbria had 95% coverage which was good for a rural area. She highlighted the Borderlands Inclusive Growth Deal Digital Voucher Scheme which offered funding to help eligible rural businesses and residents to connect to gigabit capable broadband.

The Corporate Director of Economic Development acknowledged that the broadband coverage was in place, however, there needed to be greater speed and connectivity to attract people and businesses into the area. The broadband needed to be competitive especially in the current climate which had seen a move to more working from home.

RESOLVED – 1) That Ms Lappin be thanked for her informative and detailed presentation (ED.31/20) on the Cumbria Local Enterprise Partnership;

2) That the Panel request that the Executive promote engagement with the Business and Economy Response and Recovery Group (BERRG) of the Local Resilience Forum, particularly in developing a recovery plan;

3) That the Cumbria Local Enterprise Partnership provide an update briefing note to the Panel Members with key data on impacts of Covid-19 on economic growth in Carlisle;

4) That the Corporate Director of Economic Development liaise with the Chair and the CLEP to link the work of the Economic Growth Scrutiny Panel into the Council's contribution to the CLEP's scrutiny function.