

DELIVERY PLAN CUMBRIA LEP 2023/24

CLEP

**CUMBRIA
LOCAL
ENTERPRISE
PARTNERSHIP**

NORTHERN 
POWERHOUSE

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Introduction

- 1.1 The Annual Delivery Plan, which is to be produced by all Local Enterprise Partnerships was initially introduced in the “Strengthened Local Enterprise Partnerships” report published by Government in July 2018. At the point that the Annual Delivery Plan was introduced it was assumed that this would be aligned with the priorities outlined within the Local Industrial Strategy. However, in the absence of Local Industrial Strategies being approved in every area, Government introduced a ‘light-touch’ version, which would provide the framework for the production of Annual Delivery Plans.
- 1.2 This light-touch version was the template adopted for the production of Annual Delivery Plans over the last four financial years, and in the absence of any additional guidance, this version has again been used to produce the 2023/24 Annual Delivery Plan. The activities and focus in this Plan are driven by the priorities identified in Cumbria’s Local Industrial Strategy and Restart, Reboot, Rethink – A Plan for Cumbria’s Economic Recovery.
- 1.3 The Levelling Up White Paper published on 2 February 2022 confirmed that LEPs would continue to play a key role in supporting the levelling up agenda across England, stating “For the last decade, LEPs have acted as important organisational means of bringing together businesses and local leaders to drive economic growth across England. They have also been responsible for the delivery of a number of major funding streams.

It is important to retain the key strengths of these local, business-oriented institutions in supporting private sector partnerships and economic clusters, while at the same time better integrating their services and business voice into the UK Government’s new devolution plans. To that end, the UK Government is encouraging the integration of LEPs and their business boards into MCAs, the GLA and County Deals, where these exist. Where a devolution deal does not yet exist, LEPs will continue to play their vital role in supporting local businesses and the local economy”.

- 1.4 The Levelling Up White Paper identified Cumbria as a ‘priority place’ for devolution. However, at this point in time no formal devolution process has been agreed for Cumbria and as such the Cumbria LEP (CLEP) remains a Pathway II LEP, which are those areas that are maintaining LEPs until a Devolution Deal is agreed.
- 1.5 The joint letter from Neil O’Brien, MP and Paul Scully, MP to LEP Chairs on 31 March 2022 confirmed that each LEP on Pathway II “will continue to be the recipient of core funding” and in order to secure this “LEPs will need to submit draft Delivery Plans for 2023/24 by 25 November 2022. Future provision of core funding will be subject to agreement of these plans with government and, thereafter, subject to meeting agreed delivery and performance metrics.”



- 1.6 Since this letter was produced Government announced in the Autumn Statement that it was 'minded to remove' core funding from LEPs in 2024/25 and as such the Cumbria LEP is undertaking prudent planning on this basis. The guidance on the production of Delivery Plans for 2023/24 has still yet to be received.
- 1.7 In the absence of further Government guidance, the approach to the development of the 2023/24 Delivery Plan has addressed the issues that Government asked LEPs to respond to in 2022/23, namely outlining the full range of our core functions and roles to support our local economy and local decision-making, including:
- Embedding a strong, independent and diverse local business voice into the local decision-making, which might include advising Local Authorities on the development of local plans and applications to local growth funds such as the UK Shared Prosperity Fund (UKSPF) or Levelling Up Fund, where projects have an economic development purpose.
 - Developing local economic strategies and maintain business and economic intelligence for their areas. This includes activity to support the levelling up missions.
 - Delivering activity on behalf of Government Departments, including business support; international trade and investment activity; Careers Hubs; Local Skills Bootcamps; local skills analysis.
 - Post completion monitoring of outputs, outcomes and impacts from the Growth Deal and Getting Building Fund.
- 1.8 CLEP will be working with Government to develop measures to report against, within these plans, which will be considered as part of our Annual Assurance process. In the interim, CLEP will continue to comply with the current National Local Growth Assurance Framework (NLGAF).
- 1.9 In line with the Plan produced in previous years' this Delivery Plan is structured around the three themes of the Annual Performance Review – Strategy, Governance and Delivery.
- 1.10 Cumbria, alongside the rest of the UK, continues to experience one of the most challenging economic periods with businesses facing a range of issues that are hampering economic growth, with citizens facing one of the most acute cost of living squeezes in recent memory. This remains the economic context in which this Annual Delivery Plan has been produced.
- 1.11 In introducing this Delivery Plan it is important to recognise the financial and secondee resource that is provided by Sellafield and BAE to help deliver CLEP's activities. This is alongside the in-kind support provided by Cumberland and Westmorland and Furness Council; Westmorland and Furness as CLEP's Accountable Body and to both Councils for the match funding that has been kindly provided and which is very much appreciated.
- 1.12 Finally, following Local Government Reorganisation, the Board and Executive look forward to working with both of the new Local Authorities – Cumberland and Westmorland and Furness, going forward and developing positive and mutually beneficial relationships.

The Operating Context

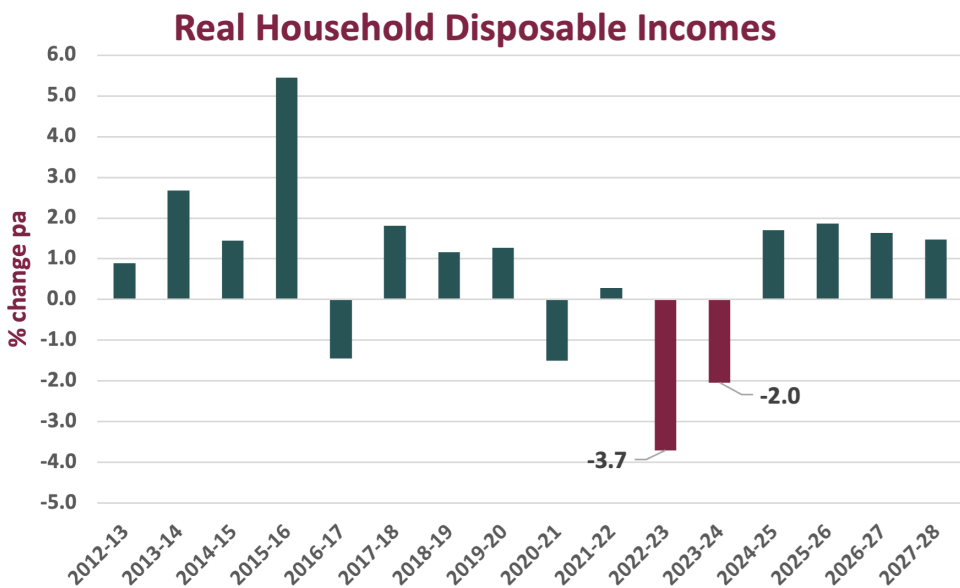
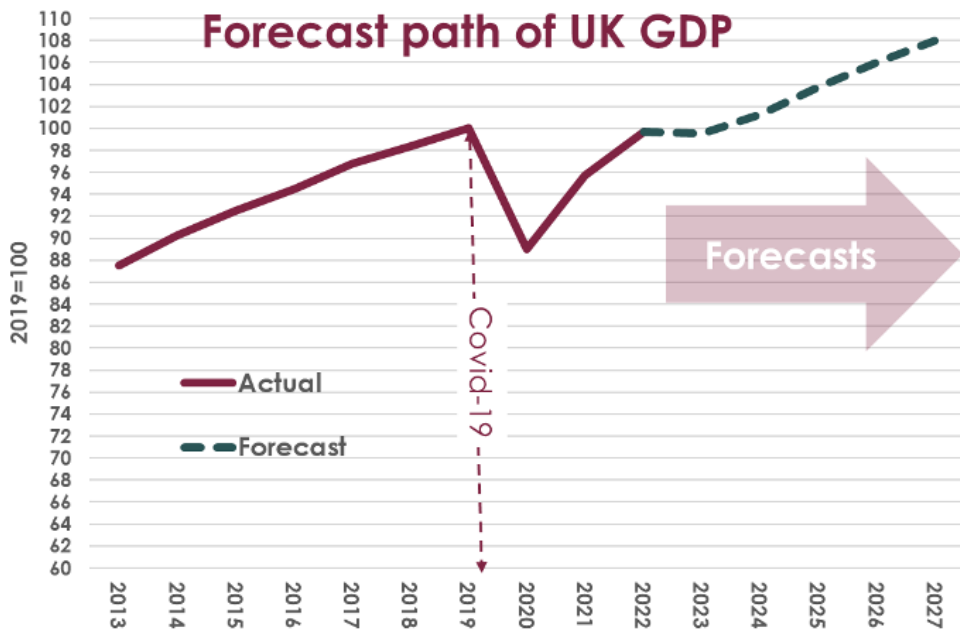
- 2.1 There is limited change in the operating context from that experienced in 2022/23 in that the overhang from the pandemic, the war in Ukraine and managing the changes following EU Exit are having a profound impact on the economy and businesses. This means that as we look towards 2023/24 our economy faces, as with the rest of the UK, very serious challenges indeed. Inflation has not reduced in line with Bank of England forecasts and interest rates have risen and are set to rise further, placing further stress on businesses, particularly SMEs.

A challenging national and international economic context

- 2.2 At the end of 2021 and the beginning of 2022 the UK economy was recovering from the effects of COVID and associated policy measures. These had hit the economy more severely than most other advanced economies. The UK was starting to face inflationary demand pressure (post-COVID demand rising faster than supply especially in the labour market). Demand was rising for workers, but at the same time there had been a contraction in the size of the workforce due to a combination of factors, particularly illness and earlier retirement. This UK-wide phenomenon was being felt including Brexit, illness and earlier retirement acutely in Cumbria, which already faced a declining working age population.
- 2.3 Then in early 2022 the UK experienced a strong inflation and demand shock. This arose from the rapid price increases in global energy, commodities and other goods in large part due to the Russian invasion of Ukraine, in February. By the autumn of 2022 the UK economy had hit the buffers:
- The UK economy had ground to a halt and by Q3 2022 the economy not yet recovered to the pre-COVID levels of Q4 2019. The economy grew by just 0.1% in Q4 2022 and in Q1 2023
 - Consumer price inflation had reached a 40 year high (CPI 11.1% in October) - a rate much faster than earnings growth (5% to 6%) it remained over 10% until finally dropping to 9% in April 2023. Producer cost inflation was over 20%.
 - The real value of earnings and savings falling sharply leading to a squeeze on consumer spending and in the housing market.
 - In response to inflationary pressures, the Bank of England has raised interest rates several times (from 0.25% in January to 4.0% by March 2023), with the markets expecting the base rate to rise to over 5.0% during 2023.
 - Major fiscal imbalances were looming after COVID, the slowing economy and the cost of the Government's energy price cap measures.
- 2.4 In March 2023 OBR produced new economic forecasts. These predicted: (1) a slight recession during all of 2023; then very slow recovery, with pre-COVID economic output levels only reached during 2024; (2) a strong squeeze on living standards in 2022/2 and 2023/4 (an overall fall of 6%); and (3) unemployment to rise from 3.5% to 4.5% by mid-2024.
- 2.5 Other advanced economies are facing similar challenges, but in the UK these have been exacerbated by the impacts of Brexit on trade¹ and so business investment; the

particularly acute post-COVID effects on labour supply; and recent market destabilisation and reputational damage in respect of UK Government's borrowing costs.

Latest UK Economic Forecasts, November 2022



Source: OBR, Economic and Fiscal Outlook, March 2023

1. A point made by the OBR and the Bank of England

Short to medium term implications for Cumbria

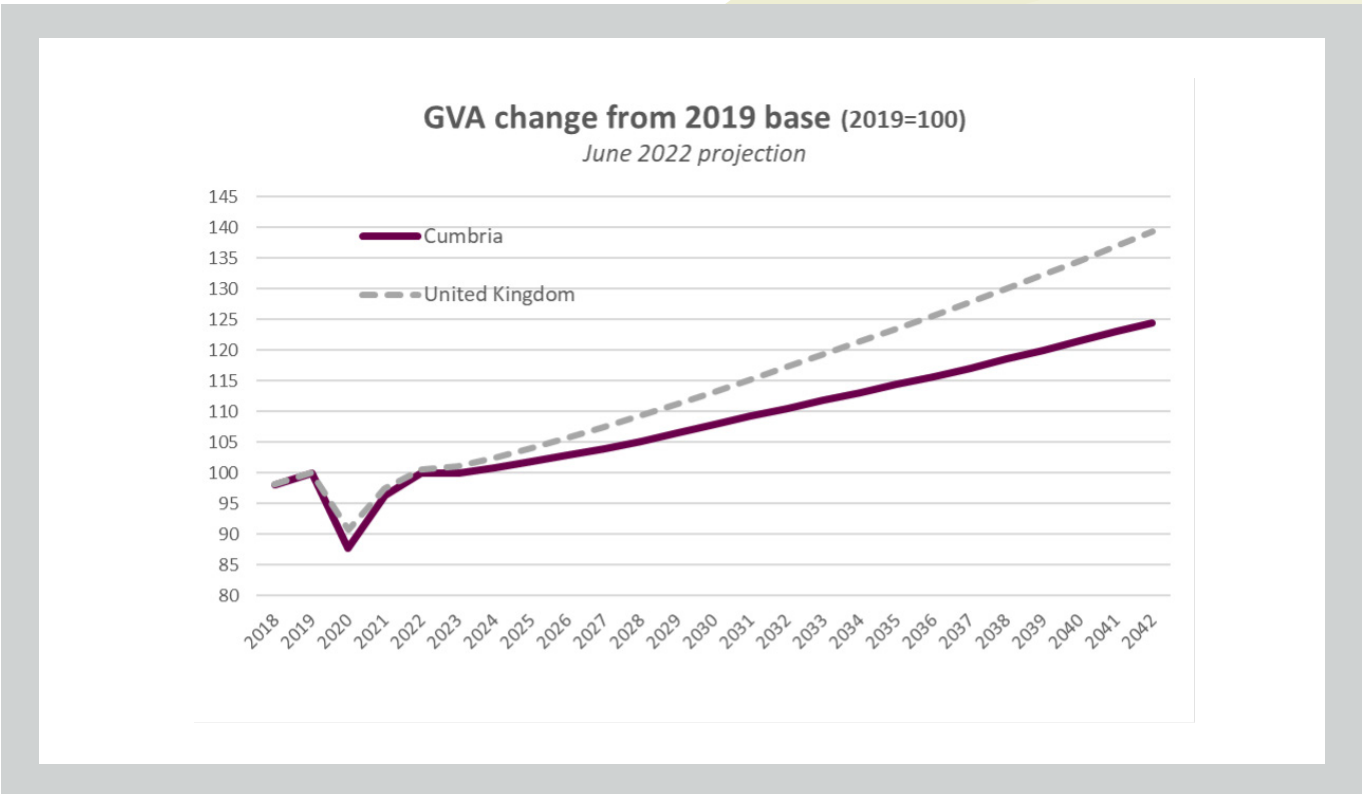
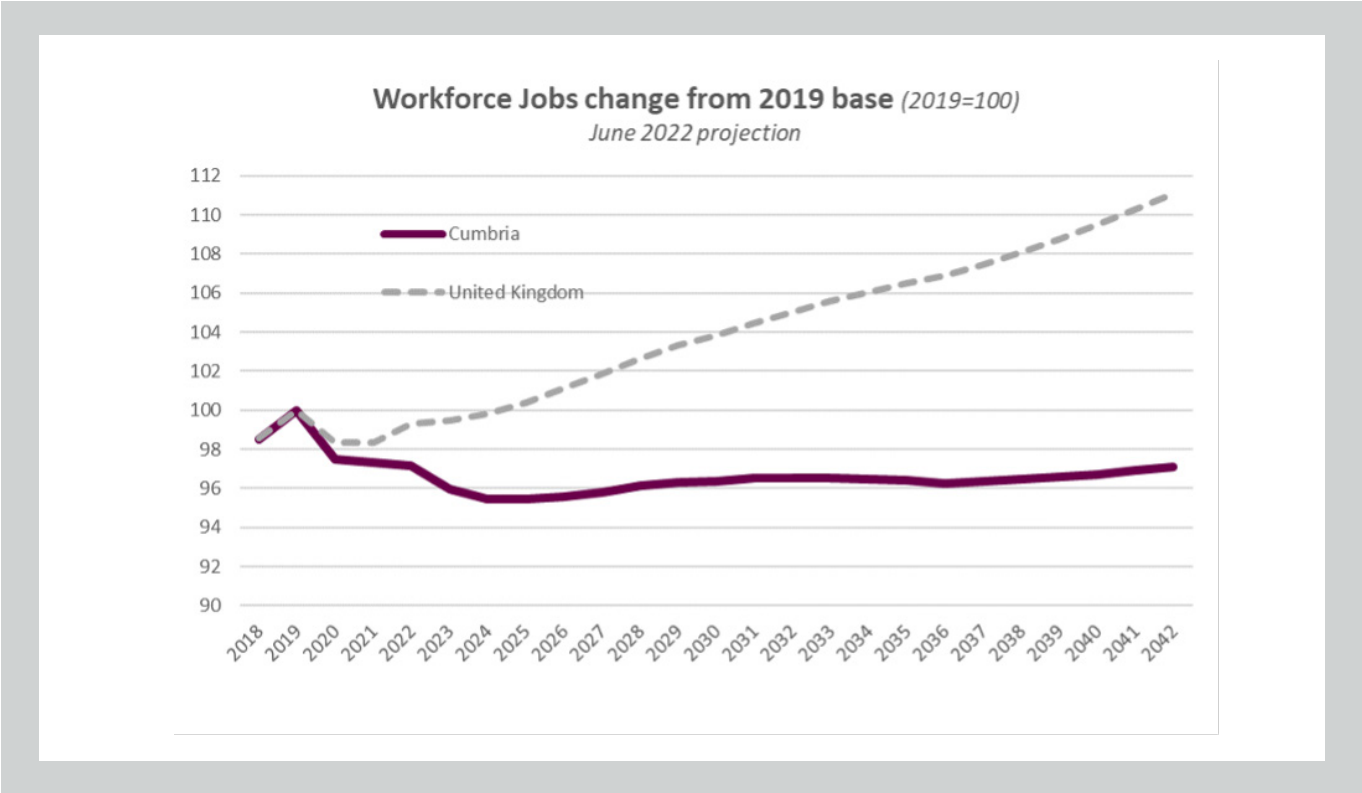
2.6 The implications for Cumbria are as follows:

- The **severe squeeze on real incomes** is and will lead to falls as well as shifts in consumer spending, away from non-essentials to budget items/essentials. This will impact on the demand for goods and services for most Cumbrian businesses, both for residents, visitors and for firms, who export out of the county to the rest of the UK. Firms focussing on luxuries/non-essential items will face particular challenges.
- Those business that are more **export focussed** are better placed to weather the storm as overseas markets are expected to contract less than the UK. The weakening pound presents opportunities for exporters, although, it does at the same time increase import costs and may also create opportunities for international tourism.
- High produce input inflation is a major problem for **agriculture and other energy and raw materials intensive** sectors. It is likely to lead to stronger interest in investment in energy efficiency measures and renewable generation.
- Higher energy costs are being reported nationally as a particular issues for small retail and for most **hospitality businesses**, which is also true in Cumbria with reports of energy bills increasing four or five fold.
- Construction cost inflation is already causing difficulties for some **public sector investment and regeneration projects** where budgets are fixed in cash term and this will continue to be a challenge.
- The overall impact on **domestic tourism** activity remains uncertain. However, the real income squeeze is likely to lead to less spending per trip by domestic visitors. Higher fuel costs may deter day trippers. Value for money will become much more important.
- The reduction in overall demand is likely to reduce the more acute local labour supply pressures, which apply in most parts of Cumbria. There are signs of number of **reported vacancies tailing off** from historically high levels. If UK-wide changes apply to Cumbria, we are likely to see a rise in the unemployment rate during 2023 and 2024.
- However, Cumbria is fortunate in that key parts of our economy e.g. BAE Systems/ Barrow and Sellafield and their associated supply chains will largely continue as before over the next few years.

Cumbria baseline economic forecasts

- 2.7 In June 2022 CLEP received updated long term baseline economic forecasts for Cumbria (from Experian). These are essentially 'business as usual' forecasts that apply past trends in labour supply and growth by sector relative to the UK to national sectoral forecasts. They do not reflect on any changes in policy and local activities that would make the Cumbria economy more productive and successful in either relative and absolute terms.
- 2.8 The main take away from the forecasts is that the overall number of jobs in Cumbria, including self-employed and in FTE terms, is forecast to continue to fall in 2024 and 2025 and then flatline for the remainder of the forecast period at around 268,000 jobs. This remains around 10,000 below pre-COVID levels. In contrast, employment is forecast to rise by around 0.6% pa in the UK.

2.9 This feeds through into the forecast for the economy (GVA) where growth in Cumbria lags behind that of the UK, but almost entirely due to slower workforce growth. In other words relative productivity (GVA per job) is forecast to remain largely unchanged but not to catch up on the rest of the UK and close the current large productivity gap.



Source: Experian, June 2022 Forecasts

Supporting Economic Recovery

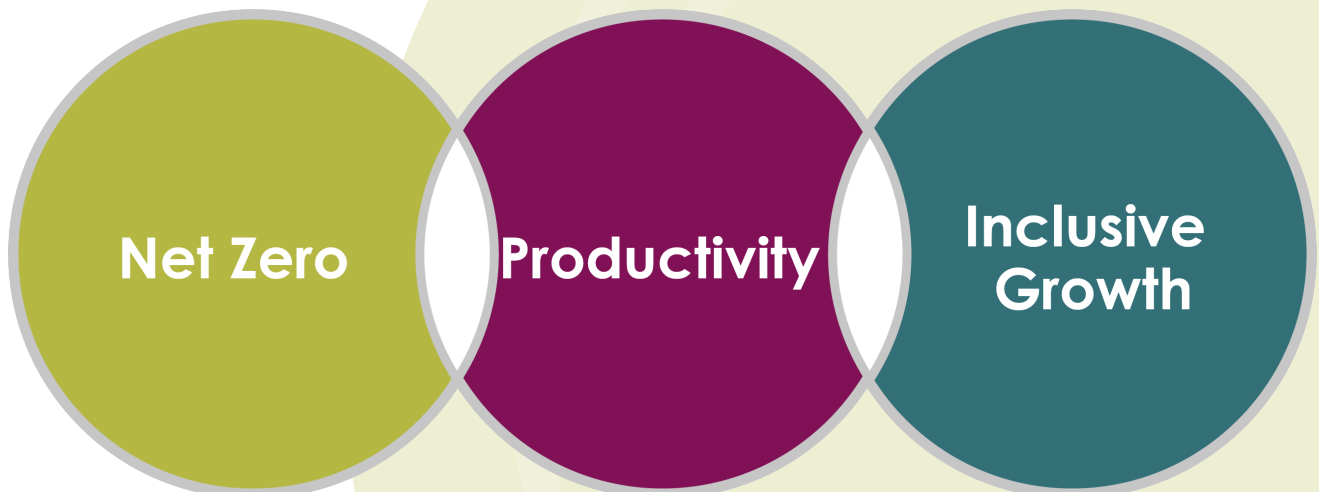
- 3.1 The current economic challenges mean that supporting economic recovery has and will remain an issue throughout 2023/24 and as such CLEP continues to Chair the Business and Economic Advisory Group (BEAG).
- 3.2 BEAG's responsibilities in supporting recovery and growth, include:
 - Providing strategic oversight on the implementation of 'Restart, Reboot, Rethink – A Plan for Economic Recovery' and the underpinning Plans to deliver this.
 - Identifying key emerging strategic issues and proposing strategies and suitable mechanisms to address these issues.
 - Identifying emerging international and national policy, best practice and thematic trends, and ensure that these inform CLEP's activities.
 - Monitoring Cumbria's economic performance and identifying and escalating key emerging issues and suggesting potential ideas to help address these.
 - Identifying investment opportunities that can support Cumbria's economic and business growth and develop these opportunities.
 - Proving response to national consultations, Select Committees, APPGs etc. on issues that are relevant to Cumbria's economy, businesses and people.
- 3.3 Meetings of BEAG will continue to take place on a four weekly basis during 2023/24 and will be timed to ensure that the intelligence emerging from these meetings is received in sufficient time to inform the monthly intelligence reports that CLEP will continue to provide to BEIS.
- 3.4 In implementing strategic priorities BEAG will continue to focus on the Rethink elements, which are those priorities that are genuinely based in Cumbria's competitive advantages and opportunities and are grounded in Government's policy and investment opportunities.
- 3.5 BEAG's membership has continued to be and will remain extensive, with full membership extending to over 70 member organisations. The intention is to ensure that regular attendance at each meeting remains strong, in order to demonstrate the added value that members believe BEAG brings. It will also continue to operate as a 'network of networks' bringing together all Business Representative Organisations with business leaders, the public and Voluntary and Community Sector alongside Government representatives.
- 3.6 CLEP's focus on economic recovery and growth will not be limited to the activities of BEAG with all aspects of the governance structure focused on this.

Strategy

- 4.1 CLEP's Local Industrial Strategy (LIS) published in March 2019 outlined a vision for Cumbria to be **"The place to live, work, visit and invest sustainably - where exceptional industry and innovation meets a breathtakingly beautiful and productive landscape."** This vision was grounded in the reality of Cumbria's economy, which effectively marries together cutting edge advanced manufacturing and clean energy generation with exceptional natural capital, which acts as a catalyst for visitors, investors and individuals relocating.
- 4.2 Cumbria's strategic imperatives remain unchanged, although the impact of the changes to the economic operating environment, means that the focus and relative priority of these have changed. During 2023/24 the prioritisation of these have remained consistent, given that there has been limited change in the operating context, as outlined below:

Strategic Imperative	Impact - Ongoing (April 2023 onwards)
1. Declining Working Age Population	HIGH Acute labour supply shortages seriously impact on recovery and future growth.
2. Thin pool of higher level skills	HIGH The level of individuals with higher level skills exiting the labour market reduces productivity, performance and impedes recovery and growth.
3. Cold spots of worklessness and deprivation	HIGH The cost of living squeeze makes it more difficult for workless individuals to return to the labour market.
4. Increase Business Start Ups	MEDIUM Trading environment still not strong enough to see significant start up activity.
5. Increase Faster Growing Firms	HIGH Economic climate inhibits recovery and growth.
6. Increase Innovation Activity	HIGH Inability to find investment finance inhibits innovation and prevents recovery, productivity improvements and growth.
7. Improved Infrastructure	HIGH Cost escalation and fragmentation of investment funds inhibits the delivery of major infrastructure priorities.

- 4.3 CLEP's three strategic touchstones of net zero, productivity and inclusive growth are at the heart of every strategy and implementation plan and will continue to guide our activity.



4.4 In response to the economic challenges presented by the pandemic, CLEP produced “Restart, Reboot, Rethink - A Plan for Cumbria's Economic Recovery.” This was published in August 2020 and has been implemented ever since then. The delivery of the ‘Rethink’ themes will remain the priorities in 2023/24 recognising that these are focused on Cumbria's competitive strengths, which align with national policy and investment priorities. Therefore, these will be best able to accelerate economic recovery and also ensure a higher degree of delivery certainty.

4.5 The six rethink themes, which will be taken forward are:

- **Clean Energy Generation** – implementing the Clean Energy Strategy, which looks to use Cumbria's world-recognised heritage and expertise as a catalyst for significant future investment in energy generation.
- **Diversify to Thrive** – moving to the next level in terms of localisation of supply chains, movement into new markets and extending inward investment.
- **The New Visitor Experience** – capturing the changes in sustainable visitor behaviour by offering a world class experience to a wider range of markets.
- **The Future of Food** – ensuring that Cumbria's existing meat and dairy excellence is supported to grow, whilst at the same time considering opportunities that will put Cumbria at the forefront of supporting food security and resilience, alongside developing a sector operating to the highest standards of sustainability.
- **The UK's Natural Capital** – promoting and exploiting the benefits created by having the most protected landscape in percentage of area terms in England.
- **The Way We Live, The Way We Work Now** – benefitting from the opportunities that people now have and will have in the future in the way that they will live and work.

4.6 During 2023/24, all of these priorities will be moved forward with particular focus on the following headline priorities:

Rethink Theme	Headline Priorities	2023/24 Timescale
Theme 1 Clean Energy Generation	Hydrogen	
	1.1 Support Spirit Energy to develop and implement their plans for re-purposing the Morecambe Bay Gas Field.	Quarter 1 onwards
	1.2 Support Carlton Power to develop their implementation plans with Kimberley-Clark.	Quarter 1 onwards
	1.3 Support Carlton Power to identify strategic 'anchor' business partners for future Net Zero Hydrogen Fund (NZHF) bidding rounds.	Quarter 1 onwards
	1.4 Arrange a Hydrogen Event in the House of Lords to outline Cumbria's offer.	Quarter 1
	Small Modular Reactors	
	1.5 Promote Cumbria's credentials as an early adopter for siting of Small Modular Reactors and the development of supply chain opportunities.	Quarter 1 onwards
	1.6 Support Rolls-Royce SMR and partners to assemble the case for siting of an SMR in Cumbria.	Quarter 1 onwards
1.7 Progress Cumbria's ambition for an advanced manufacturing facility for Rolls-Royce SMR.	Quarter 1 onwards	
1.8 Support the Solway Community Power Company to implement their proposals in West Cumbria.	Quarter 1 onwards	

Rethink Theme	Headline Priorities	2023/24 Timescale
Theme 1 Clean Energy Generation	Advanced Modular Reactors 1.9 Support partners to secure the supply side benefits of any national Advanced Modular Reactor activity.	Quarter 1 onwards
	Fusion 1.10 Explore opportunities to secure fusion investments in Cumbria based on the case assembled for UKAEA's siting competition for the Spherical Tokamak for Energy Production (STEP).	Quarter 1 onwards
	Off Shore Wind 1.11 Promote the manufacturing opportunities for Cumbrian businesses as part of the supply chain opportunities for offshore wind.	Quarter 1 onwards
	1.12 Work with Port Operators to establish Cumbrian ports as the O&M Centre for Round 4 leases.	Ongoing
	Network Connectivity 1.14 Work with Electricity North West Ltd to ensure that grid connectivity facilitates clean energy generation.	Quarter 1 onwards
Theme 2 Diversify to Thrive	2.1 Utilise the Innovating for Success programme to facilitate innovation, improve productivity and reduce the demand for labour.	Quarter 1 onwards
	2.2 Explore diversification opportunities in all business support diagnostic activity.	Ongoing
	2.3 Identify and promote supply chain opportunities resulting from the rethink themes.	Ongoing
	2.4 Develop Cumbria's innovation activity to identify new market opportunities.	Ongoing
	2.5 Support space ambitions with Space Technologies Facility Council.	Ongoing
	2.6 Complete further analysis of export activity and implement a targeted programme to encourage greater international trade.	Quarter 2 onwards
	2.7 Refresh inward investment marketing materials to promote Cumbria's investment credentials.	Ongoing
	2.8 Secure additional Cumbrian sites in DiT Northern Powerhouse playbook.	Ongoing
	2.9 Continually refresh Our Future material to promote Cumbria as a great place to invest.	Ongoing
	2.10 Refresh the Advanced Manufacturing Sector Panel and its work programme to take forward this theme.	Quarter 1 onwards
Theme 3 - The New Visitor Experience	3.1 Implement the refreshed Visitor Economy Work Programme to reflect current market realities.	Ongoing
	3.2 Develop a proposal for a Training Hotel.	Quarter 1
	3.3 Implement the visitor economy aspects of the Labour Supply Action Plan.	Ongoing
	3.4 Support Cumbria Tourism in the development of the Destination Management Plan	Quarter 1 onwards.

Rethink Theme	Headline Priorities	2023/24 Timescale
Theme 4 The Future of Food	4.1 Work with Scottish Rural University College (SRUC) to support the implementation of the Dairy Chain Strength in Places to ensure Cumbria fully benefits.	Quarter 1 onwards
	4.2 Support the development of a new website to promote Cumbria's food offer and the exceptional provenance of this.	Quarter 1
	4.3 Explore the opportunity to develop a bid for an Agri-Tech Centre in Cumbria.	Quarter 1 onwards
	4.4 Refresh the Rural Sector Work programme.	Quarter 1
	4.5 Develop a future facing Future of Food Action Plan focused on transformatary activities to sit alongside existing development activity.	Quarter 1
	4.6 Implement the refreshed work programme and Future of Food Action Plan.	Quarter 2 onwards
Theme 5 The UK's Natural Capital	5.1 Continue to develop the economic quantification case for natural capital in Cumbria.	Ongoing
	5.2 Develop a commercial model that ensures that Cumbria's economy, businesses and citizens benefit from the economic benefits of natural capital.	Quarter 1 onwards
	5.3 Develop an Action Plan to implement the Natural Capital opportunity.	Quarter 1
Theme 6 The Way We Live, The Way We Work Now	6.1 Refresh the Your Future campaign to promote Cumbria as a great place to live work and invest.	Ongoing
	6.2 Re-launch the refreshed Your Future materials.	Ongoing

4.7 The priorities outlined within the Levelling up White Paper will continue to be integrated into strategic planning and implementation. In relation to the 12 Levelling Up Missions, CLEP will have a particular focus on the following missions, which are felt to most strongly align with our role and responsibilities:

- **Mission 1** - By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing.
- **Mission 2** - By 2030, domestic public investment in R&D outside the Greater Southeast will increase by at least 40% and at least one third over the Spending Review period, with that additional Government funding seeking to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.
- **Mission 6** - By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.

CLEP will also play a highly supportive role in working with partners on the delivery of a range of missions. The scale and intensity of this support will be mission specific, with for example Mission 3 being a significant priority, given CLEP's joint production of the Cumbria Transport and Infrastructure Plan with Local Authority colleagues, as the statutory transport authorities and the commitment to produce a synthesis piece based on the emerging priorities of Cumberland and Westmorland and Furness Councils. The missions where CLEP will look to make both a strategic and delivery contribution are:

- **Mission 3** - By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.
- **Mission 4** - By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.
- **Mission 7** - By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years.
- **Mission 8** - By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
- **Mission 9** - By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.

4.9 Clearly, **Mission 12** - By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement, will be led by Local Authority colleagues in the new Cumberland and Westmorland and Furness Local Authorities, which became operational on 1 April 2023. However, CLEP stands ready to provide whatever assistance it can to support this.

4.10 Economic intelligence remains a key strategic priority and going forward CLEP will continue to produce Economic Updates, with these provided every two months by CLEP's Economist and Senior Researcher. These will provide information at Cumbria, Cumberland and Westmorland and Furness levels.

4.11 In the last three years, CLEP has focused on developing its underpinning strategies producing the Creative and Cultural Strategy; Digital Strategy; Housing Delivery Strategy; Internationalisation Strategy; Employment Sites and Premises Strategy, Nuclear Prospectus, the Cumbria Transport and Infrastructure Plan (CTIP) and the Clean Energy Strategy. The requirement to draft further strategy documents has therefore reduced with the focus very much being on delivery of these agreed strategies and ensuring that the priorities within these are achieved.



Business Decarbonisation

10-POINT PLAN

1 Business Decarbonisation Leadership

The strategic importance of business decarbonisation requires a specific governance body to provide visible leadership on this agenda, to sit alongside the Clean Energy Sector Panel.

2 Emissions Mapping

Map emissions to identify those businesses that are the most significant industrial and commercial CO₂ emitters in Cumbria to inform a targeted intervention programme.

3 Energy intensive industries

Work with those businesses that are the most energy intensive in Cumbria to support their plans for decarbonisation and track progress.

4 Business Decarbonisation Summit

Businesses want to decarbonise their business but need support to understand how best to do this. The Summit will virtually bring together exemplars to share learning and experience and launch the Business Decarbonisation Leadership Group.

5 Journey to Decarbonisation

Embed business decarbonisation advice and support in all aspects of CLEP and its sub-contractors SME advisory programmes to ensure that all businesses know what the first or next step in their journey is.

6 Decarbonisation System Navigator

There is a lot of advice, support and investment opportunities out there, but many businesses are unsure of where to start. The Decarbonisation System Navigator will provide a single source of information on how to take forward decarbonisation in Cumbria. This will be through an interactive diagnostic tool.

7 Decarbonisation Events Programme

Implement a programme of workshops for SMEs that feature specific aspects of decarbonisation, including assessing footprint, calculating return on investment, exploring appropriate technologies and securing investment.

8 Decarbonisation by Design

Pilot a business decarbonisation programme with businesses across different sectors. Trained advisors will provide:

- CO₂ emissions auditing (Scope 1,2,3)
- Free, independent, and impartial advice on the best carbon and cost saving measures to implement relating to heat, power, energy efficiency and transport
- Wider supply chain CO₂ emissions reduction guidance (scope 3 emissions).

9 Secure Investment for Decarbonisation by Design

Develop an application for funding from the Shared Prosperity Fund or other relevant funding stream to scale up the Decarbonisation by design programme.

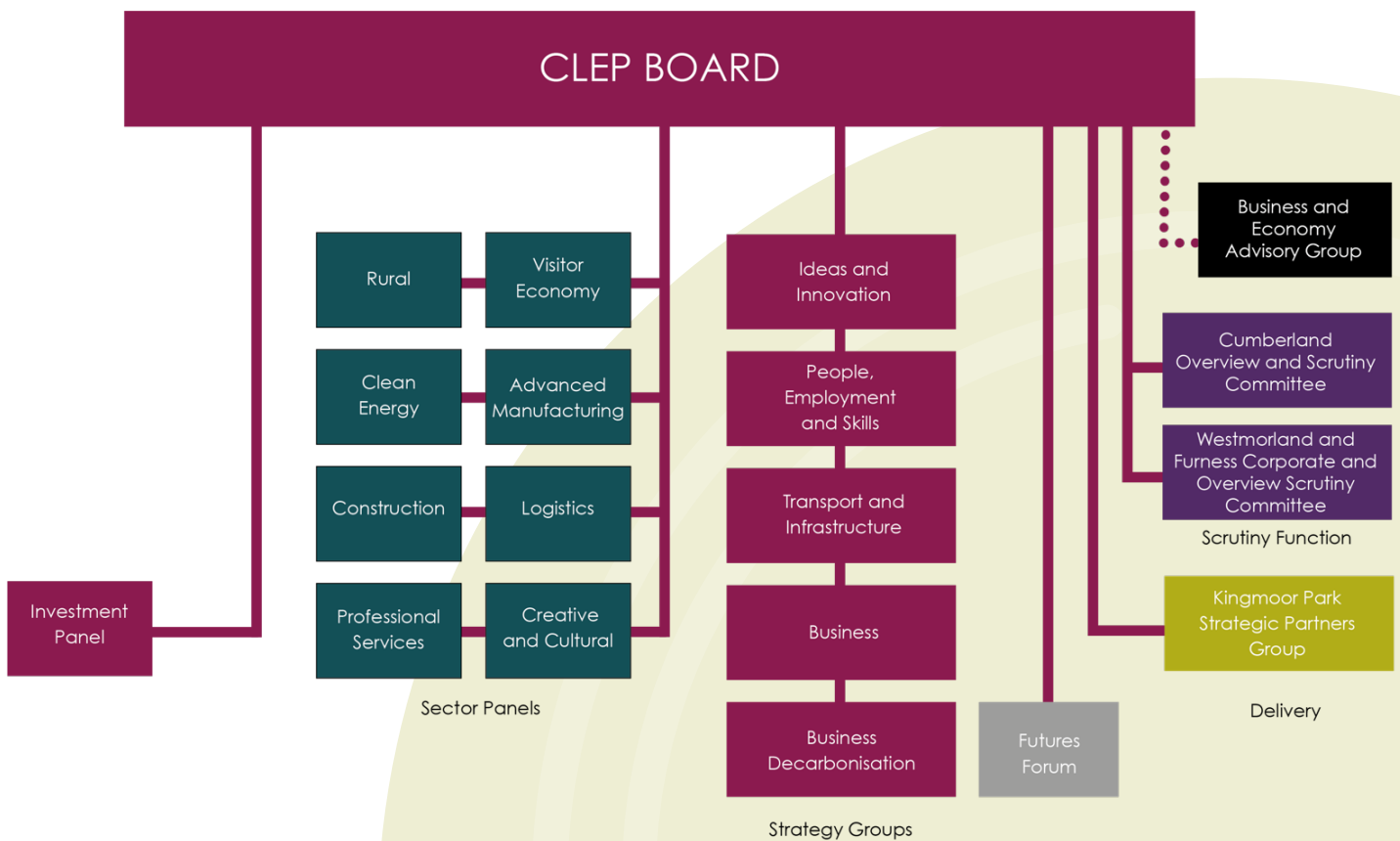
10 Assess, Map and Track

Develop a Cumbria-level performance management framework that provides an accurate baseline, tracks progress and provides comparison with other areas to assess progress.

- 4.12 In addition to the strategies outlined above, CLEP's commitment to Net Zero will be delivered by our twin priorities of Clean Energy Generation and Business Decarbonisation, which means that we will continue to implement the 10 Point Plan, which is outlined above. In 2023/24 we will also introduce a new Business Decarbonisation Strategy Group, which will oversee the further development and implementation of this Plan.
- 4.13 Whilst the family of strategic documentation will be fundamentally in place there will remain a strong focus on updating all of the work programmes for both the Sector Panels and the Strategy Groups.
- 4.14 There are other really important strategic priorities that will be taken forward in 2023/24, including:
- **Labour Supply Action Plan** – continually refreshing, updating and implementing this plan to help address Cumbria's significant labour supply challenges.
 - **Productivity Deep Dive** – working to improve Cumbria's productivity under performance.
 - **Innovation** – implementing the Innovating for Success Programme and supporting businesses to implement their innovation proposals to help address productivity and labour supply challenges.
 - **Resilience and Employability Action Plan** – implementing this newly produced Plan to address concerns that some younger people are less resilient and employment ready than in the past to help make sure that youth unemployment and well being is addressed, as a matter of priority.

Governance

- 5.1 CLEP continues to keep its governance arrangements under constant review, in line with its commitment to operating to the highest standards of propriety, transparency and accountability. Importantly, the arrangements seek to ensure that private, public and voluntary and community sector partners are actively engaged in the development and implementation of strategies and plans, with the structure engaging hundreds of partners in this.
- 5.2 CLEP has continued to make sure that it is inclusive, action-focused, aligned to Cumbria's strategic priorities and reflects Cumbria's economic priorities. Each part of the structure has specific responsibilities and Terms of References to avoid duplication and overlap. The changes to governance introduced in 2019 have stood the test of time and as such only minor changes have been made to the structure, with the Places Strategy Group replaced by the Business Decarbonisation Strategy Group, as outlined previously.
- 5.3 Changes resulting from Local Government Reorganisation necessitated the incorporation of two new scrutiny bodies - Cumberland Overview and Scrutiny Committee and Westmorland and Furness Corporate and Overview Scrutiny Committee - both of which will replace the previous LEP Scrutiny Board. The diagram below reflects the governance structure for 2023/24.



- 5.4 Most bodies are advisory with the only formal decision making bodies being the Board, Investment Panel and the Kingmoor Park Strategic Partners Group.

Decision Making Groups

- 5.5 The Board is the main decision body, with all governance bodies ultimately reporting to it, other than the two scrutiny bodies, which are entirely independent.
- 5.6 The Investment Panel is responsible for overseeing and developing the pipeline of investment opportunities and ensuring that all due diligence in relation to publicly funded investments are met.
- 5.7 The Kingmoor Park Strategic Partners Group will address the residual responsibilities of Enterprise Zone status.

Advisory Groups

- 5.8 The Strategy Groups and Sector Panels operate on a supply and demand basis, with the Strategy Groups representing the supply side and the Sector Panels the demand side. For example, the Sector Panels will outline their skills needs with the People, Employment and Skills Strategy Group identifying how this need can be met; or their business decarbonisation issues to the Business Decarbonisation Strategy Group.
- 5.9 The Futures Forum is an important part of the governance structure, ensuring that 18-35 year olds influence CLEP's decisions and activity – ensuring that our future generations have a genuine stake in Cumbria's economy. In 2023/24 CLEP will be refreshing the Forum's membership to ensure that it continues to represent the most pressing priorities for younger people in Cumbria, with a particular focus on securing younger members aged 18-24.
- 5.10 The LEP Scrutiny Board has fulfilled an essential function with elected members independently scrutinising the LEP's strategic and operational activity. This body has actively demonstrated CLEP's commitment to the highest standards of transparency and accountability. CLEP will work with the Cumberland Overview and Scrutiny Committee and Westmorland and Furness Corporate and Overview Scrutiny Committee to ensure that similarly robust independent scrutiny arrangements are established.
- 5.11 The Business and Economy Advisory Group continues to operate and fulfil an important sounding board function, particularly on testing the economic temperature with businesses, Business Representative Organisations and public and voluntary and community sector partners.
- 5.12 In addition to its external facing governance, CLEP also has an important internal governance body, its Finance, Audit and Resource Committee (FARC), which reports directly to the Board. Reports from FARC are a standing item on every Board agenda to ensure that the Board has full oversight of CLEP's finances.

Diversity and Inclusion

- 5.13 All LEPs had a target to achieve at least a third female Board membership by 2020 and equal representation by January 2023, which was achieved by CLEP in advance of that deadline. The focus is therefore on maintaining this and making equally strong progress on broader diversity issues. We will therefore encourage representation from under-represented groups and people with protected characteristics, to ensure that CLEP is fully representative of the communities which it serves. The Futures Forum, consisting of members ages 18 - 35 year olds, remains a critical conduit to Cumbria's younger people.

Performance Review

5.14 CLEP continues to meet all performance requirements in its assessment by Government, with the 2022/23 assessment, operating under the streamlined arrangements, confirming that CLEP was 'met' in all three categories - strategy, governance and delivery. Met is the highest marking currently available.

Board Membership and Development

5.15 The Board has agreed that the Board will reduce from 20 to 16 members during 2023 to reflect the changes in the Local Authority landscape with the public sector membership reducing from 6 to 4 member. A compensating reduction of 2 private sector members will also take place once two terms of office conclude in July 2023.

5.16 The Board Development Plan below reflects the priorities for 2023/24.

LEP THEME	PRIORITY	BOARD THEME	TIMESCALE	OUTCOME
Strategy	Implement the Strategy Twilight sessions for Board members.	Strategic Development	Ongoing	Board are well sighted on key economic issues and CLEP implementation priorities.
	Hold the Annual Strategy Development Day.		October 2023	Board consider the key strategic issues that need to form the work programme going forward.
	Implement 'lunch and learn' sessions to explore key strategic issues following each Board meeting.		Ongoing	Board members have the time and space to consider key strategic opportunities and challenges.
	Ensure that Board agendas allow sufficient time to discuss strategic rather than operational issues.		Ongoing	Board collectively focuses the balance of time on strategic priorities.
	Ensure that all Sector Panel and Strategy Boards work programmes are continually updated.		Ongoing	All governance bodies are focused on the issues that will provide greatest impact on recovery and growth for Cumbria's economy and businesses.
	Complete bi-annual portfolio reviews with each Board member.		October 2023/24	All Board members have the opportunity to deploy their expertise in line with economic and business priorities.

LEP THEME	PRIORITY	BOARD THEME	TIMESCALE	OUTCOME
Governance	Revise the governance structure to reflect Local Government Reorganisation.	Net Zero	Ongoing	Cumberland and Westmorland and Furness representatives are fully engaged in CLEP's governance structure.
	Ensure that public sector partners are equally engaged in strategy and governance issues.	Inclusive Board	Ongoing	All members fully and actively contribute to CLEP's agenda.
	Review Equality, Diversity and Inclusion Policy.	Diversity	March 2023	Policy keeps pace with best in class.
	Complete the annual Equality, Diversity and Inclusion audit.		November 2023	Progress effectively monitored.
	Ensure that the governance structure is diverse and inclusive.		Ongoing	The structure fully reflects the businesses, citizens and communities that we serve.
Delivery	Ensure that the Executive remains resourced for impact.	Capacity and Capability	Ongoing	The structure remains fit for purpose.
	Identify mechanisms to secure additional Executive resource – secondees, additional funding etc.		Ongoing	CLEP can further extend its activity and reach.
	Ensure that going concern status continues to be met.	Compliance	Ongoing	CLEP can continue to trade effectively.

5.18 The Deputy Chair continues to lead the Board Development Programme, which is summarised in the Action Plan above and is being implemented on an ongoing basis.

Annual General Meeting

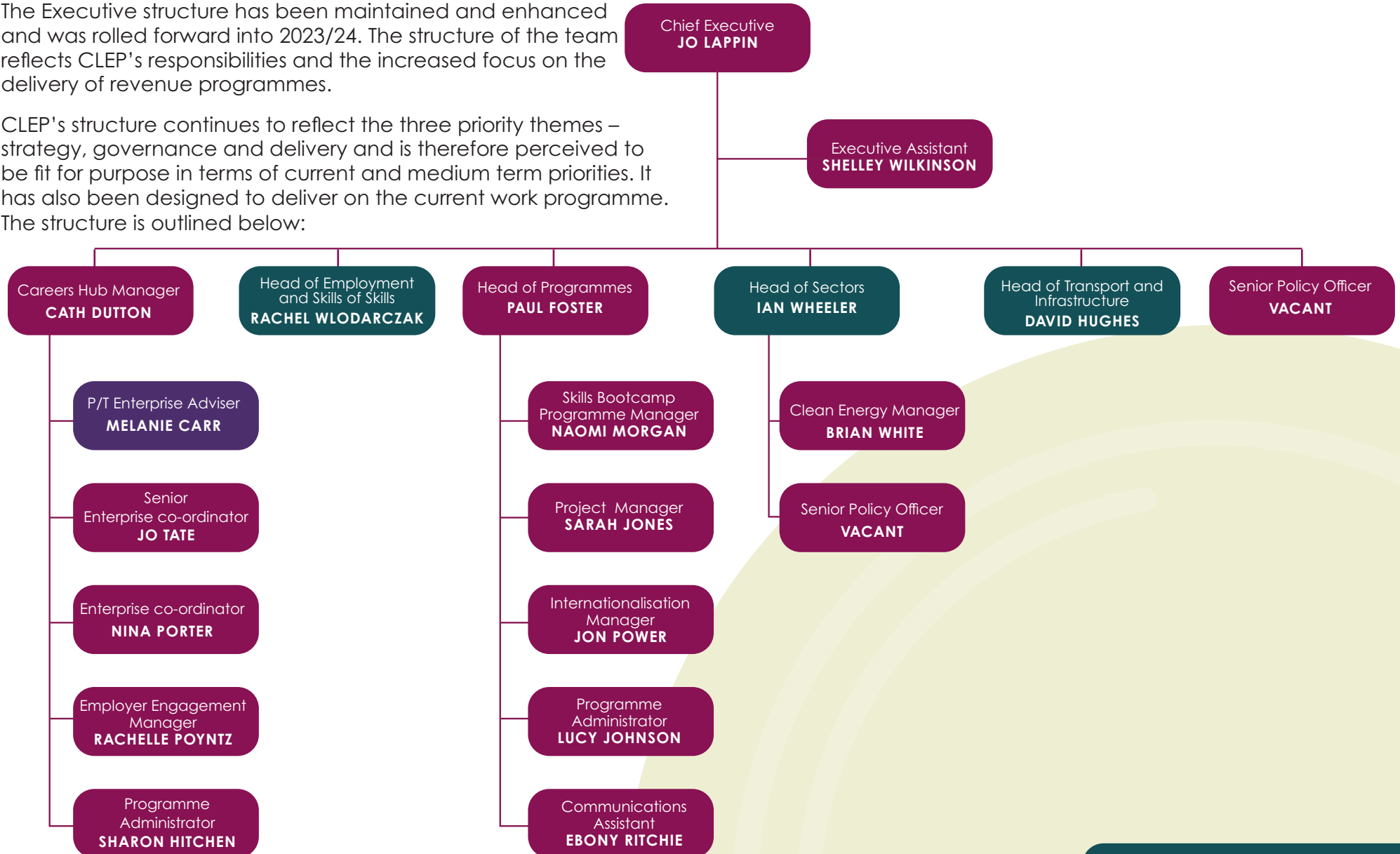
5.19 CLEP remains committed to securing strong attendance at its Annual General Meeting, which will take place on 22 September 2023. The Annual Report for 2023 will be produced in electronic format, to avoid unnecessary printing. This approach will also ensure that the Annual Report is interactive and can be regularly updated.



Development of Staff and Capabilities of CLEP

6.1 The Executive structure has been maintained and enhanced and was rolled forward into 2023/24. The structure of the team reflects CLEP's responsibilities and the increased focus on the delivery of revenue programmes.

6.2 CLEP's structure continues to reflect the three priority themes – strategy, governance and delivery and is therefore perceived to be fit for purpose in terms of current and medium term priorities. It has also been designed to deliver on the current work programme. The structure is outlined below:



- 6.3 The outlined staffing structure is felt to be fit for purpose at this point in time. However, beyond this the intention is to cover other priorities via consultancy, secondee or temporary resource to provide greater flexibility. CLEP will continue to make use of its call off arrangements for communications, economic and policy support, accountancy, design and legal advice.
- 6.4 CLEP will also continue to explore opportunities to secure additional high quality secondee resource to augment the 2.0 senior level posts provided by NDA/ Sellafield Ltd and the 1.0 post provided by BAE.
- 6.5 There will be continued focus on learning and development to ensure that the team are equipped with the highest level of employability, recognising that this will ensure that the team is well able to manage change and deal with an uncertain operating environment.
- 6.6 CLEP will continue with its hybrid working arrangements throughout 2023/24, with an expectation that all team members will spend at least 1 day per week working in the office. In continuing with these arrangements CLEP will continue to ensure that these working arrangements operate in the interest of Cumbria's economy and businesses and enable us to deliver in the most effective way possible.
- 6.7 During 2023/24, CLEP will produce its fourth set of audited accounts with these being presented to the CLEP Board meeting taking place on 28 July 2023, prior to formal adoption at the Annual General Meeting on 22 September. CLEP will continue to ensure that its systems and processes receive a clean bill of health at audit as in previous years.
- 6.8 Alongside the independent audit of the company accounts, all of CLEP's programmes will be audited in line with the requirements of the relevant Grant Funding Agreement.



Multi-Lep and Working Outside Cumbria

Partnership working outside of Cumbria

- 7.1 CLEP continues to work effectively in partnership outside of our boundaries, including:
- **The LEP Network** - CLEP is an active member and has led and contributed to several of the LEP Network's submissions to Government, to Select Committees and other consultations.
 - **Northern Powerhouse 11 (NP11)** – working collaboratively with the other 10 LEPs within the NP11 on the work programme that has been developed, and actively contributing to the Place theme.
 - **Borderland Inclusive Growth Deal** – CLEP is a committed partner to this initiative and will work with colleagues to deliver this. The CLEP Chair and a CLEP Board member are representatives on the Economic Forum with CLEP actively engaging in the energy work and other initiatives.
 - **North West Region** – the 5 LEPs across the North West come together in a variety of settings to work collaboratively on issues of common interest including Net Zero, including NZNW, Clean Energy Generation; and promoting the interests of the region. All 5 LEPs work together on the implementation of the work programme for the North West Net Zero Hub.
 - **Lancashire LEP** – working together on cross-boundary issues and on sharing best practice.

Partnership working within Cumbria

Engaging with the business community

- 7.2 The business sector engagement takes place through several channels:
- **CLEP's business support services** – which provide direct advice and support to the SME community through business assists and workshops.
 - Our **formal governance structures** has a very strong business representation. We have eight Sector Panels covering the rural economy (largely responsible for Agri-food), the visitor economy, the creative & cultural sector, clean energy, advanced manufacturing, construction, logistics, and professional services. At least 150 businesses are members of these Sector Panels, which meet every 3 to 4 months. Businesses are also represented on the LEP's other key governance sub-committees (five Strategy Groups).



- The LEP holds an **Annual General Meeting**, which this year takes place on 22 September 2023. The 2022 AGM operated as an effective hybrid meeting and was well attended by representatives from the private, public, voluntary and community sector partners. Therefore, the intention is to operate a similar approach in 2023.
- **Key Account Management** – meeting with a cohort of foreign owned businesses to support their ongoing engagement and investment in Cumbria.

7.3 In addition, CLEP staff attend, present and answer questions at a wide range of business networking events and business clubs on an ad hoc basis.

Engaging with wider public, voluntary and community-based bodies

7.4 The wider public, voluntary and community-based bodies also are represented across CLEP's governance structure and sit on different Sector Panels and Strategy Groups. In addition the LEP engages with the public sector via:

- Membership of all Towns Deal Boards including CLEP Board members Chairing three of these.
- Membership of all relevant Local Resilience Forum bodies, when operating.
- Membership of Cumbria's Zero Carbon Cumbria Partnership.

7.5 As with the business sector, LEP staff attend, present and answer questions at a wide range of networking events and conferences on an ad hoc basis. This includes the Cumbria CVS. There is a Voluntary, Community and Social Enterprise (VCSE) nominee on the CLEP Board and membership throughout the wider governance structure.

Engaging with the skills system

7.6 CLEP has highly effective relationships with the skills system, through both HE and FE representation on the Board and through its People, Employment and Skills Strategy Group. The latter brings together a wide range of education and skills providers to ensure that the system is responsive to the needs of the business community as identified by CLEP's extensive governance arrangement.

Capital Programmes

Getting Building Fund

- 8.1 CLEP allocated in full its £10.5 million from the Getting Building Fund in line with the timetable set out by Government. The focus is therefore on ensuring the delivery of all outputs for the A595 Bothel scheme, which received £5.0million of funding and the Barrow Marina Village Scheme that received £5.5 million of funding.
- 8.2 The Marina Village project was completed in the 2022/23 financial year. Going forward, the focus will be on ensuring that the housing delivered meet the current and future needs of the population.
- 8.3 The A595 Bothel investment focused on the reconstruction of the Greyhound/ Torpenhow Junction, which is now complete. Unfortunately, DfT decided not to proceed with the wider A595 Bothel Strategic Improvements scheme.

Local Growth Fund/Growth Deal

- 8.5 The Growth Deal Programme is financially complete, with all projects receiving payment in advance of Government's 31 March 2021 deadline. There is now only one project – A595 Grizebeck - that is subject to practical completion, following the completion of Lillyhall North, Optimising Connectivity 2, Low Carbon Barrow and Cross-A-Moor.
- 8.5 The A595 Grizebeck project cost outturn is now forecasted to be at £23.292million, an increase of 24% on the original cost estimates. This funding gap has been met by the Local Authorities. CLEP's £2.244 million investment has now been fully expended, so the focus is on full practical completion of the wider project.
- 8.6 CLEP is therefore focused on ensuring that all outputs from the programme are achieved. The targets for investment; learning opportunities; Sq. Metres created/ refurbished; and access to Superfast Broadband have already been achieved and as such the focus is on the housing and the jobs created/safeguarded targets which are still to be met.

Programme Outputs	Jobs Created	Jobs Safeguarded	Investment (Public & Private Match / Follow-on Investment)	Learning Opportunities	Housing	Sq. Metres Premises (Created / Refurbished)	Premises with access to superfast
Output Target		3,000	£60,000,000	1,700	3,000	62,000	5,000
Allocations / Commitments	3,642	1,493	£128,817,186	5,207	4,162	211,213	11,220
	5,135						
Forecast			£150,284,843	6,886	1,987	221,354	11,243
	5,147						
Achieved			£109,125,053	6,071	1,107	124,266	11,223
	2,323.1						
Achieved (% of BEIS Target)		77.44%	181.9%	357.1%	36.9%	200.4%	224.5%
Remaining Target		676.9	EXCEEDED	EXCEEDED	1,893	EXCEEDED	EXCEEDED

Community Infrastructure Fund

8.7 CLEP re-purposed the Community Infrastructure Fund for two purposes – to convert the loan element into a grant scheme and to use the revenue stream to support CLEP’s wider activity. This resulted in the implementation of the Innovating for Success grant programme, which is providing grants to businesses to support innovation or business decarbonisation.

8.8 CLEP will be working with its Accountable Body, Board and Investment Panel to identify further opportunities to re-purpose the Community Infrastructure Fund to support economic and business growth.

Revenue Programmes

Growth Hub Business Support Programme

8.9 CLEP has committed resource into 2023/24 to ensure that there is capacity to deliver the BEIS Growth Hub programme. It is assumed that the service will include the triage service, medium and high intensity assists, workshops and marketing and communications as well as managing the Business Hub website. The delivery model will move to a predominantly outsourced model in 2023/24, incorporating a wide range of delivery partners.

8.10 The services provided will be delivered in an impartial and collaborative manner. CLEP’s leadership of the local business support agenda has meant that excellent relationships are in place with a range of business support and representative organisations. CLEP is well versed in the range of quality business support provision available in Cumbria and will seek to refer businesses to the support that provides the best fit for their individual business needs. The service will provide a free at the point of entry assessment of businesses support requirements.

8.11 Where business support services can support immediately, this will be offered regardless of sector or size. After this initial assessment, a client will be either referred to other provision elsewhere or if appropriate, provided with further high intensity support in-house. CLEP will continue with its freephone number to ensure that calls to the LEP’s Business support service are free at the point of entry.

8.12 Once the delivery targets for 2023/24 are agreed with BEIS, activity will be framed to ensure that these are achieved.

Skills Bootcamps

- 8.13 Going into 2023/24 the Wave 4 Skills Bootcamps will be CLEP's largest revenue programme. It is a major programme for Cumbria, given the skills and labour challenges that we are currently facing.
- 8.14 The Programme will focus on intensive, Level 3-5 or equivalent flexible training courses delivered over up to 16 weeks with a minimum of 60 Guided Learning Hours. It will equip adults with the necessary technical skills to enable them to access in-demand jobs, apprenticeships, new opportunities and an increased level of income over time (including for the self-employed). Each applicant not in work should be guaranteed a job interview.
- 8.15 It is open to all adults aged 19 or over on 31 August within the 2023-2024 funding year, who are full-time or part-time employed, self-employed, unemployed (i.e. not in work), as well as adults returning to work after a break. Skills Bootcamps will also be open to serving prisoners due to be released within 6 months of completion of a Skills Bootcamp and those on Temporary Release.
- 8.16 The Bootcamps will be co-funded at 30% by the employer where the employer is training their own existing employees. This is reduced to 10% where the employer is a Small or Medium Enterprise (SME) training their own existing employees. Courses are fully funded by Government for individuals not being co-funded by their employer, and for the self-employed. There must be no charges to the individual learner.
- 8.17 The 30% flexibility provided for the 2023/24 Programme has ensured that there is greater alignment with the needs of Cumbria's economy and businesses.

Careers and Enterprise Programme

- 8.18 The Careers and Enterprise Programme is funded on an academic year basis and as such the delivery period continues until 31 August 2023. It consists of two distinct elements – Programme and Management – with the programme budget being directly expended on delivery activity and the management funding supporting CLEP's in-house delivery team. In terms of the management funding this meets 100% of the costs of the Careers Hub Manager and 50% of the Enterprise Co-Ordinator Full Time Equivalent posts. The Careers and Enterprise Company has issued its offer letter for the 2023/24 academic year, with CLEP confirming its acceptance of this, following Board approval to guarantee match funding until the end of August 2024.
- 8.19 The focus of delivery will once again be on the implementation of the Careers Hub Strategic Plan, alongside the successful delivery of the Hub Innovation Project: Removing Barriers fund, which is due to complete in December 2023.

DBT Key Account Management

- 8.20 The creation of the new Department of Business and Trade (DBT) means that the Key Account Management function for international businesses now sits within it. CLEP's contract for 2023/24 has been confirmed and delivery will focus on the funding of a Key Account Manager, alongside some resource from the wider team.