



LEP Overview and Scrutiny

Date: Friday, 21 July 2023

Time: 10.30 am

Location: Allerdale House, Workington, CA14 3YJ

Present: Cllr J Ghayouba (Chair), Cllr J Perry (Vice-Chair), Cllr J Grisdale (substitute for Cllr C Weber), Cllr T Markley (substitute for Cllr M Johnson), Cllr A Semple, Cllr S Stoddart and Cllr H Tucker

Also Present: Lord Inglewood (Chair of LEP) and Jo Lappin (LEP Chief Executive)

In Attendance Democratic Services Officer (Scrutiny)

LEP.1/23 Apologies for Absence

Apologies were received from Councillors Cyril Weber, Mike Johnson and Bill Pegram.

LEP.2/23 Declarations of Interest

There were no Declarations of Interest received.

LEP.3/23 Exclusion of Press and Public

RESOLVED - that the press and public not be excluded from the meeting for any items of business on this occasion.

LEP.4/23 Overview of LEP and Activities

The Chair of LEP provided the Board with an overview of the history of LEP and their purpose, noting that they have a private sector way of working but are subject to public sector accountability, which is set out within the framework provided by central government. The Chair of LEP also explained that LEPs operate differently throughout England due to each area and that their primary purpose is economic. The LEP Chief Executive then gave the Board an overview of the provided presentation. She explained that the LEP is leanly resourced but aims to support businesses and the local economy and is also focused on delivery activity, such as skills bootcamps. The LEP Chief Executive then also explained the LEP's assessment themes, current 'trilemma' regarding working age population, productivity and economic output and ongoing projects such as 'Heart of the UK', Clean Energy Net Zero Priorities (discussed further during agenda item 6) and Natural Capital.

Members thanked the LEP Chief Executive and the Chair of LEP for their presentation.

Members had a discussion regarding the productivity issue, which included aspects such as how is productivity measured, what jobs are being measured, does the productivity measurement translate considering population numbers and the fact that Cumbria is more top heavy with public sector and tourism jobs rather than private and manufacturing. The LEP Chief Executive explained that productivity is measured by the methodology that the economists used, for which they would provide further information after the meeting. She added that the methodology does compare all areas on a like for like basis regarding input versus output.

There is a current discussion whether productivity is the right measure for success. She felt it was as it should be focused on efficiency and effectiveness. The LEP Chief Executive also noted that Cumbria has pockets of overperforming productivity and pockets of underperforming productivity, although structurally it did not have significant high performing sectors. The LEP was looking to promote Cumbria through their 'Your Future' campaign to try and improve the economic climate and improve international trade. The Chair of LEP also noted that the LEP were looking to devise an approach for inward investment with other northern LEPs.

A Member queried whether the geology focus was on the coal mine and nuclear waste. The LEP Chief Executive answered that neither of those were the geology focus, but rather Spirit Energy repurposing a gas facility for carbon capture and possible underground storage if the geology allows for it.

A Member noted the current struggle for members of the public to identify business leaders within Cumberland and the Chair of LEP agreed that not many business leaders were known in any communities compared to the past, but that the LEP were encouraging the best leaders to come forward and contribute to the community, as per their Terms of Reference to promote business.

A Member asked about comparing the advantages of Cumbria with other areas and the LEP Chief Executive directed the Board to the six 'Re-Think' themes, such as clean energy generation where Cumbria has less than 1% of the population but produces almost 6% of the clean energy with expertise across a range of technologies, including nuclear. Cumbria has higher than national concentration in advanced manufacturing, farming and the visitor economy with Cumbria having two world heritage sites. The LEP Chief Executive also highlighted the Future of Food, food security and the resilience that their aiming to create, especially once the 'big ticket' item has been secured which LEP are hoping to use to transform the area.

Members discussed the 'Heart of the UK' strategy and how it focused on Carlisle, which while central does not highlight the struggle that the West Coast has to get to Carlisle and the need for better transport links. The Chair of LEP noted that they recognised the issue and support improvement for transport and the LEP Chief Executive highlighted that the strategy is to sell the whole of Cumbria by using the shortest point, which is Carlisle, but the strategy will include the whole of the area. The LEP Chief Executive also noted that their transport group are currently looking at the transport issues in West Cumbria but that it was not easy to find a viable solution to the external location, which varied dependant on the location.

RESOLVED – that,

- a) The presentation be noted.
- b) That the LEP provide a definition of productivity, particularly for service sectors and details of the Future of Food work, before the next meeting.

LEP.5/23 Draft Delivery Plan 2023/24

The LEP Chief Executive gave the Board an overview of the report highlighting that this was a plan that was produced each year for the government, which was currently in draft format. It was meant to be a light touch document on what the LEP aims to deliver in 2023/24. They had yet to receive any comments from the government regarding the draft delivery plan nor the format it had been produced in.

A Member asked for an update on how the headline priorities are progressing and the LEP Chief Executive informed the Board that all priorities were moving forward, such as with supporting Carlton Power to get potential funding opportunities by hosting a House of Lords

reception and working to support an individual regarding a nuclear fusion proposal by providing an intellectual property lawyer.

A Member asked about the skills bootcamps, such as who delivers these, who can attend and what are their priorities, and noted the link between education and work. The LEP Chief Executive explained that the menu for what skills bootcamps can be provided is very much framed by the Department for Education and is open to any individual who is over 19, and they can be either employed, unemployed or self-employed. The skills bootcamps are delivered by a range of suppliers and cover topics such as digital skills, plumbing, construction, manufacturing, and green skills, with LEPs being given 30% freedom and flex on what they can provide to support the local need. Regarding funding, it was noted that for Small and Medium-sized Enterprises (SMEs) 90% of the skills bootcamp funding comes from government and for larger business, 70% is paid by the government. The LEP Chief Executive then explained that the LEPs are delivering national Careers and Enterprise programmes, with a focus on secondary education to help improve the link between the worlds of education and work, with further resources and websites to promote the careers available and annual report that they would be happy to provide after the meeting.

Members discussed network connectivity and grid connections, noting the need for good and cost-effective bids for projects such as Small Modular Reactors (SMRs) at Moorside and wind farms with there being a need for good connectivity to be able to accommodate generation proposals. The LEP Chief Executive highlighted that LEP would need to refresh their previous calculations to reflect what needed to be generated, as it depended on issues such as how many SMRs, local offtake and energy delivered to local users to remove demand from grid. It would only be known what grid capacity was needed once a proposal was brought forward. However, planning assumptions could be made as to what could be accommodated.

A Member asked about Agri-Tech in Cumbria which the LEP Chief Executive explained that LEP were looking at innovation and the Agri-Tech team were looking for a new centre, but the conversations had moved at a glacial pace, and it was hard work, but LEP were working on other similar possibilities and would be happy to share the work that they've been conducting with the Board.

A Member asked about including performance metrics on delivering projects in the update report to the next meeting which the LEP Chief Executive confirmed they were happy to include as that followed the pattern previously established with the sovereign c. the LEP was therefore focusing on other Agri-tech opportunities.

RESOLVED – that,

- a) Cumbria LEP's (CLEP's) Draft Annual Delivery Plan for 2023/24 (Annex A) be reviewed.
- b) Comments on this be provided and any additional activities for inclusion be identified.
- c) The requested updated information on the Careers Hub and its programmes and updated information on grid connectivity be provided before the next meeting.

LEP.6/23 LEP Role in Net Zero

The Chief Executive gave an overview of the report to the Board, which highlighted the two main priorities of the LEP's commitment to Net Zero - Clean Energy Generation and Business Decarbonisation and also explained that they were in the process of refreshing their decarbonisation ten-point plan and working with businesses to reduce their energy consumption, with the Innovating for Success programme making grants available for small businesses. The Chair of LEP noted that as Cumbrian business energy use is concentrated on the larger companies, the LEP had focused on these businesses. The Chief Executive

confirmed that the LEP was also directly working with SMEs through a range of programme activity.

A Member asked if the Innovation for Success funding was closed and the LEP Chief Executive explained that the Innovation for Success had closed as it was over-subscribed. The project had launched in September 2022, with bidding closing in December/January 2023 and projects were now being implemented with some of them already having been completed.

A Member queried if LEP were using the governments definition of 'clean' energy, which they personally did not agree with due to it containing nuclear, and the use of blue hydrogen rather than green. They also requested a copy of CLEP's and Lichfields' submitted response to the government's consultation on the new onshore wind infrastructure and for further information on the small-scale solar technologies' demonstration facility. The LEP Chief Executive noted that they were working to the government's definition of 'clean' energy and that there were multiple colours of hydrogen, though they aspired to move towards green, it was a long process, and their expert team would be able to provide further information to the Board of the process. The LEP Chief Executive then explained that the small-scale solar technologies demonstration facility was currently in the planning stage with a planning decision imminent. This was an existing solar facility, which would extend and provide access to other businesses as a demonstrator project. The Chief Executive also commented that they were happy to provide a copy of the consultation response.

Members asked about the Net Zero Event that LEP were hosting regarding the public transport access and time of the event. The LEP Chief Executive explained that there was no time as yet, as they were still working on developing the agenda and that, if there was a demand for it, LEP would be happy to provide transport with a collection point.

A member noted that there was a mixture of information and views available regarding Net Zero for which the Chair of LEP and the LEP Chief Executive agreed that there was a difficulty to discuss the topic due to the numerous different perspectives but that it was an issue that needed to be addressed. The LEP was clear about having plans to address it, which the LEP were looking to enact as quickly as possible to help make Cumbria clean.

A Member asked about the Workington Port currently trying to get Freeport Status, which the LEP Chief Executive noted that they were not working on this time, as they had previously submitted to the open competition. During the previous round the bid had scored highly but lost the bid due to it becoming a regional competition against Liverpool. The LEP would be happy to share the ports studies work that had been previously produced, with those working on the current bid,

A Member asked if the governments change in direction regarding hydrogen would impact on LEP's ambitions and if there was an industrial demand for hydrogen. The LEP Chief Executive highlighted that the LEP approach is focused on industrial application, for which there is an increased demand with the need for a reduction in emissions and moving away from natural gas reliance. The move away from hydrogen had been predominantly related to domestic hydrogen, and therefore there was no impact on the LEP's ambitions.

[The committee took an 11-minute comfort break.]

RESOLVED – that,

- a) The report and any issues raised in relation to this report are noted.
- b) The response to the onshore wind consultation and the Ports Study be provided before the next meeting.

LEP.7/23 Labour Supply and Skills

The LEP Chief Executive gave the Board an overview of the report, which included highlighting that businesses reported labour supply issues, following the pandemic as a larger issue than lack of skills. There was a struggle to attract and keep workers due to an accommodation shortage in some locations and the need to encourage working age population to come and work in Cumbria. The LEP Chief Executive advised that LEP had a ten-point action plan to try and help address these issues, including to promote Cumbria by selling 'our' place. It was highlighted that Cumbria was one of the most self-contained areas in the country, with 96% of the population living and working in the area.

A Member asked for clarification on the acronym PESSG which the LEP Chief Executive explained was the People, Employment and Skills Strategy Group.

Members discussed the skills issues from previous decades and how to improve engagement with schools, as schools and teachers are important for improving the skills shortage, with the need for careers advice at the appropriate age group. Members also noted the need to service the industries in the Cumberland area and to include all students. The LEP Chief Executive highlighted the Career Hubs, which promote good understanding of moving into working life and show what careers are available within the area and agreed that the team can aim to raise the visibility of the Hubs and provide the Board with images, the Hubs' annual report and strategy. It was also noted that the Hubs had a website with resources available to teachers and young people, which included videos of business speakers, which it was agreed that a link would be provided after the meeting. The LEP Chief Executive also noted the importance of all children being equally valued with the LEP highlighting both academic and vocational routes through the Resilience and Employability action plan. The Chair of LEP agreed that the aim was to secure parity for less academic students.

A member asked why labour supply was seen as more of an issue than skills and noted the difficulty of moving in and around Cumbria, with difficult commutes for some. The LEP Chief Executive noted the struggles and explained that labour supply was seen as more of an issue from the business's perspectives, as this was a key issue in areas that didn't require high skills levels.

Members discussed the link between transport issues and the hampering of recruitment in the hospitality industry and how the larger companies are able to put on transport, but smaller businesses are having to close for two days a week due to capacity issues. Members also wondered how the visitor economy translated into works and if the wages reflect the demand. The Chair of LEP noted that, currently, the visitor economy cannot pay more but the hope is to establish a mechanism for money generated to enhance the local economy and therefore allow businesses to pay good wages which would allow for further investment locally. Noting that the best way to level up is for the money to stay locally, generate further income and build local businesses.

Members discussed food security and international trade compared to local farmers. The Chair of LEP highlighted the wish for international products to meet the standards of domestic production and the LEP Chief Executive highlighted the inclusive growth touchstone (agenda item 4) and noted that while LEP may be an economic organisation it was also socially aware and environmentally committed. The Chair of LEP and LEP Chief Executive also commented that it was early in the current Indo-Pacific trade deal process and that discussions can only take place after the trade agreements have been signed.

A Member queried how many young people stayed away and how many came back after university and the LEP Chief Executive explained that, although the figures were outdated, they

show that those between the ages of 18-24 are moving out of Cumbria and retirees are moving in. And that those who do come back, most are only staying for six months. The LEP Chief Executive agreed to find the latest figures and forward them to the Board after the meeting.

Members asked if there were any certain demands and hotspots for housing in Cumberland and whether those areas fit in with the shortage of workers. The LEP Chief Executive explained that there are small pockets of areas with a high demand, although not all are based on jobs, and that some areas struggle with house price compared to the income available, with a mismatch between employment and accommodation. The LEP Chief Executive noted that there needed to be a smarter way of linking right product, right place and right price, moving forward.

[Councillor Markley left the meeting at 13:15]

A Member asked if the government increase on visa costs will have an impact in Cumberland and the LEP Chief Executive acknowledged that there was likely to be an impact, especially as the process is already difficult. But, the LEP do offer help on visa process, though there had been very limited appetite to take up the offer.

[Councillor Stoddart left the meeting at 13:20]

A Member asked if housing and transport are key for the LEP and both the Chair of LEP and LEP Chief Executive agreed that they mattered as enablers of growth and the LEP does lots of work in those areas.

RESOLVED – that,

- a) The report and any issues raised in relation to this report are noted.
- b) The requested information be provided before the next meeting.

LEP.8/23 Date and Time of Next Meeting

The next scheduled meeting of the LEP Scrutiny Board is on Tuesday 27th February 2024 at 10:30am in Conference Room B, Cumbria House, Carlisle.

The meeting finished at 1.25 pm