

# Liverpool City Region LEP

## Delivery Plan

2020/21

*1 April 2020*

## Executive Summary

This is the second Delivery Plan of the Liverpool City Region Local Enterprise Partnership (LCR LEP) which builds on the successful delivery of the 2019/20 Plan. The Plan is set out in a similar structure to the previous plan as follows:

1. **Governance:**

Administration and application of the new governance arrangements introduced in 2019 between the LCR LEP and the Mayoral Combined Authority (MCA) to include extension and strengthening of LEP strategic advisory boards with significantly increased diversity and inclusion

2. **Strategic Priorities:**

Our strategic priorities, developed in conjunction with the MCA are set out in our Local Industrial Strategy submitted to Government in March 2020

3. **Delivery:**

Here we set out how the capital and revenue funds awarded to the LEP will support and enable the delivery of these strategic priorities.

4. **Outputs and Outcomes:**

Our performance dashboard and narrative set out how we monitor the delivery of programme expenditure, outputs and outcomes

These are summarised below.

### 1. Governance

- LCR LEP will continue to provide strategic business insight and guidance to inform public sector decision making on the most effective use of public funds to drive Liverpool City Region growth through its main and sub boards;
- LCR LEP will continue to have oversight responsibilities for key funds (e.g. Local Growth Fund) as determined by Government;
- LCR LEP and MCA will apply the joint National Local Growth Assurance Framework (NLGAF), which sets out responsibilities of the respective organisations, in execution of its role;
- LCR LEP and LCR MCA's jointly created City Region Growth Company, Growth Platform, will continue to be commissioned to provide business support for growth and investment and ensure the business ecosystem is clearer and simpler for businesses to navigate including through Growth Hub from BEIS;
- The strengthening of governance has improved alignment and impact of investment whilst retaining independence. This will be further enhanced by growth of the sub boards and enhanced diversity and inclusion across all Boards.

## 2. Strategic Priorities

The City Region's Strategic Priorities for 2020/21 are set out in our Local Industrial Strategy which was submitted to Government in March 2021. They include:

- **Building a sustainable industrial future** through utilisation of industrial digital technologies;
- **Open health innovation** to improve health and wellbeing whilst developing new market opportunities;
- **Global cultural capital**, through creating a City Region where culture creates prosperity for all;
- **Social innovation** to solve society's deepest challenges;
- **Pioneers of the zero-carbon economy**, to become a national leader in clean growth and a net zero carbon City Region by 2040;
- **Tech for good**, which utilises our specialisms to use technology and data in a way that improves society and addresses global challenges.

To realise these priorities, we aim to further improve our performance against the five foundations of productivity:

- Place: Thriving and distinctive places;
- People: The opportunity to turn potential into prosperity;
- Business: A dynamic business base creating opportunity;
- Ideas: Collaboration that translates innovation into impact;
- Infrastructure: Connecting all our communities to opportunity

Each of these are addressed within the strategy.

## 3. Delivery

Operating within the strategic priorities set out in the Local Industrial Strategy, the LCR LEP will use the following mechanisms to effect delivery:

- i. Influence over MCA decision making on the use of the Liverpool City Region (LCR) investment strategy for capital/infrastructure investments – through main LEP and Sector Boards and active engagement on Investment Panels etc.
- ii. Performance Monitoring of the projects funded through the LCR investment strategy for capital/infrastructure investments – working closely with CA colleagues and frequent operational performance meetings.
- iii. Further development and expansion of Growth Platform as the City Region Growth Company with delivery and expansion of locally led initiatives including the Growth Hub.
- iv. Development and implementation of new initiatives to take forward the LIS, particularly through Growth Platform and its network of partners and suppliers.

- v. Encourage and support businesses to develop investment proposals to drive growth especially in the LCR's growth sectors and aligned to the LIS.

There are a range of significant projects and initiatives that will form the basis of this delivery that will be commenced, completed or delivering outputs during the year.

#### Infrastructure

- Runcorn Station Quarter (£10.4m)
- Kirkby Town Centre (£10m)
- Halsnead Garden Village (£4.6m)
- Chancerygate (£4.5m)
- City Centre Connectivity (£4m)

#### Skills

- Riverside College (£2m)
- Southport Colege (£2m)

#### Business

- Manufacturing Technology Centre (£5.85m)
- Flexible Growth Fund (£5m)
- Pall Mall (£3.85m)
- Sandon Global (£2m)
- Growth Platform Expansion
- LCR Investment Service Development
- NW Energy Hub Expansion
- Liverpool City Region Careers Hub Expansion
- High Growth Business Programme; Inward Investment and Innovation Funds

## **4. Outputs**

The purpose of the LCR LEP, working with the CA and partners, is to enable inclusive growth through partnership for the City Region. Operational performance towards these objectives will be monitored through a performance dashboard of operational outputs delivered through our key projects.

#### Operational Outputs (2020/21)

- £69m Capital invested (LGF)
- £82m Capital leveraged LGF)
- 1,635 Jobs created (1068 LGF, 567 GH)
- 1,106 Learners supported (LGF)
- 36,000 sqm floorspace developed (LGF)
- 5,000 Businesses supported (GH)

## Introduction

LCR LEP was established in March 2012 founded on a longstanding existing economic development body called The Mersey Partnership.

With a mission to drive economic growth, the LCR LEP worked with partners from the public, private and other sectors to develop a strategy for growth, oversee its implementation and where appropriate engage in delivery of business growth activities directly and with partners.

Over the last 4 years the institutional landscape has changed significantly with the establishment of a Mayoral Combined Authority (MCA), and the election of the City Region's first Metro Mayor in May 2017. In 2018, the Government completed its Ministerial Review "Strengthened Local Enterprise Partnerships" and as a result the LCR LEP's structure, governance and role has been significantly reshaped to respond to this new landscape.

This culminated last year in the development of the LCR LEP's first Delivery Plan, setting out how the LCR LEP works, from its governance, influence and decision making through to its strategic priorities and delivery activity. This Delivery Plan not only demonstrated how LCR LEP was both fully compliant with the Ministerial Review but how it works with the MCA, Local Authorities and the private sector to deliver inclusive growth through partnership in the City Region. This new Delivery Plan, for 2020/21 builds upon that inaugural plan to build on the platform created. It does so though in the middle of a severe and unexpected health crisis that has pushed the country into a lockdown that is deeply affecting business and the wider economy and creating great uncertainty for the year ahead.

This new Delivery Plan and the underpinning economic strategy it aims to help deliver, have been largely prepared prior to the onset of the pandemic and, as such, it will be subject to change depending on the severity and longevity of the restrictions to business which at this stage are unknown but expected to be severe.

# 1. Governance

## Role and Structure

The LCR LEP and MCA work together to deliver the Liverpool City Region Growth Strategy for the City Region. The LCR LEP provides strategic advice and guidance on economic development priorities while the MCA brings democratic accountability and oversight for the City Region. Working together in this way gives us the insights and benefits of both the public and private sectors.

LCR LEP went through a thorough review and restructure and with effect from April 2019 assumed the legal personality of the LCR MCA to simplify investment and commissioning arrangements. These changes do not compromise the LCR LEP's role as the primary City Region body for promoting economic development but allow it to act in conjunction with the MCA to increase the impact of funds awarded to it and galvanize the private sector to support the priorities for growth set out in the City Region's newly published Local Industrial Strategy (LIS).

To formalise these arrangements the LCR LEP and MCA work to a joint NLGAF which sets out roles and responsibilities of the respective organisations.

These governance changes do not change the LEP Board's role in maintaining oversight and accountability for Local Growth Fund investment and other funds that are awarded to it. The LEP Board will not only provide strategic advice and guidance but commission intervention through the MCA to support growth with funds awarded to it such as the Growth Hub. The overall effect of the governance and executive changes is to provide greater alignment and investment impact whilst retaining independence. This is important as the LEP is now part of the MCA's legal personality, however these arrangements ensure it does not compromise its independence.

## The Role of LEP Boards

In addition to the main LEP Board, LCR LEP has a number of sub boards and panels in order to ensure it is fully reflecting the strength and diversity of the City Region's economy. These predominantly represent those sectors of the economy that provide the greatest opportunity to deliver sustained growth and increased productivity and contribute to the Local Industrial Strategy. These include:

- Advanced Manufacturing
- Digital & Creative
- Health & Life Science
- Clean Growth
- Built Environment
- Port & Logistics
- Professional & Business Services
- Visitor Economy
- Innovation
- Enterprise/Business Growth
- Employment & Skills Board
- Careers Hub Board

The LEP board and sub boards act in an advisory capacity and are the main conduits through which the private sector helps inform policy development and decision making within the City Region. It comprises of senior decision makers across the private and other sectors, the structure provides the framework to coalesce the views of industry and ensure they are represented through the chair of the LEP Board as a member of the MCA.

The sub boards feed directly into the main LEP Board and provide a rich source of intelligence and insight in helping the LCR LEP better inform the MCA on how funds are allocated to business growth.

Within these boards and the LEP Board, the wider public, voluntary and community-based bodies are represented and engaged. They inform the main strategies helping to ensure that programmes are inclusive and support the delivery of inclusive growth.

In terms of consultation with the business community, the LEP Board is made up of private sector representation from each of its identified growth sectors. It also engages the wider community through its Annual Conference, briefings and insight events which are open to all.

The LCR LEP also works at regional and national level through participation in a wider variety of associations, boards and forums that work to extend best practice and act as the spring board for future collaborations and initiatives.

In addition, the LCR LEP and MCA work closely together and share expertise as appropriate. This integration recognises the strong mutual relationship established between the organisations and symbiotic nature of our respective roles.

### **Growth Platform**

LCR LEP and MCA have strengthened the executive capacity and capabilities to ensure there is a clearer, simpler model in which to deliver greater growth for the City Region, through the establishment of Growth Platform. The enhanced delivery functions are on behalf of both LCR LEP and MCA, thus providing an effective organisation to coordinate and deliver business growth interventions both directly and with partners to drive prosperity for the Liverpool City Region.

Since its establishment in 2019/20 it has become a key integrator and simplifier of the business support ecosystem in Liverpool City Region and will continue this role in the coming year. It reports to a Board of Directors appointed by CA and LEP and will produce an annual Business Plan in agreement with the Board, monitored through a performance dashboard and quarterly reporting arrangements.

These arrangements will continue to ensure that the LCR LEP is able to put forward the insight and guidance of the private sector to the MCA in shaping city regional economic policy and strategy; whilst Growth Platform provides an enhanced, coherent and simplified business growth delivery vehicle for the City Region.

Growth Platform can be commissioned by the LCR LEP, the MCA and constituent local authorities to manage, coordinate and deliver services where appropriate to do so. It can also work to attract external funds from both the public sector and private sectors to enhance the delivery of business growth services.

## 2. Strategic Priorities

Our Local Industrial Strategy sets out Liverpool City Region's vision for transforming together: delivering a competitive, clean and inclusive City Region.

It provides a framework for our investment decisions, and for our conversations with government about how we work together, through devolution, to maximise prosperity for all people and communities.

Founded on extensive engagement and a collaborative approach between the LEP, CA and with our many partners, the Local Industrial Strategy articulates how we will build on our distinctive economic strengths, tackle our challenges, and develop transformational policies to unlock growth and be a catalyst to the development of an inclusive economy.

Underpinned by evidence, building on earlier strategies including "Building our Future" and aligned with the National Industrial Strategy's Grand Challenges our Local Industrial Strategy is focused across a number of transformational opportunities that builds on our key assets and competencies:

- **Building a sustainable industrial future** through utilisation of industrial digital technologies;
- **Open health innovation** to improve health and wellbeing whilst developing new market opportunities;
- **Global cultural capital**, through creating a City Region where culture creates prosperity for all;
- **Social innovation** to solve society's deepest challenges;
- **Pioneers of the zero-carbon economy**, to become a national leader in clean growth and a net zero carbon City Region by 2040;
- **Tech for good**, which utilises our specialisms to use technology and data in a way that improves society and addresses global challenges.

To realise these opportunities, we need to further improve our performance against the five foundations of productivity:

- Thriving and distinctive places (places);
- The opportunity to turn potential into prosperity (people);
- A dynamic business base creating opportunity (business environment);
- Collaboration that translates innovation into impact (ideas);
- Connecting all of our communities to opportunity (infrastructure).

Each of these are addressed in turn within the strategy. Taken together, the realisation of our opportunities and the range of actions set out in the Local Industrial Strategy will support the City Region in being a globally competitive, clean and fully inclusive economy.



The Strategy is summarised visually below:



### 3. Delivering Growth

#### Roles and Responsibilities

As previously stated the LCR LEP and MCA have agreed their respective roles and responsibilities and which of them will take the lead role in the various aspects of economic growth. The MCA will lead on policy and strategy development, informed by the advice and guidance of the LCR LEP, and on commissioning major capital and revenue projects, whilst the LCR LEP will focus on delivery of interventions to stimulate and support business growth. In looking at this from a funding perspective, investment of capital funds awarded to the LCR LEP will be led by the MCA, with oversight of the LCR LEP, and revenue funds awarded to the LCR LEP will be under its direction.

In terms of capital funding and its use, there will be no change to the current arrangements that allow the investment of Local Growth Fund awards to be made through the MCA's Strategic Investment Fund (SIF). The LEP has delegated decision making to the MCA for these funds but retains accountability to Government for their use. Further, it will retain control and decision making over other funds, largely revenue. The allocation of responsibility over funds awarded to the LCR LEP is set out in the LCR NLGAF. To ensure that the LCR LEP is sighted on performance of funds that it has delegated, it will continue to receive performance reports on the funds invested on its behalf allowing the LCR LEP to challenge progress and the effectiveness of investments.

#### LEP Delivery Mechanisms

Operating within this strategic framework, the LCR LEP will continue to focus on five key mechanisms that will form the basis for delivery in 2020/21. They incorporate the obligations it has to ensure Central Government funding is used to deliver locally informed national growth targets through investment of the SIF. At regional level, they reflect the LCR LEP's specific responsibilities for delivering regional initiatives and driving up the performance of the City Region's priority growth sectors. The culmination being the overall contribution the LCR LEP will make to increasing City Region's productivity as the sum of all these priorities.

1. Influence over MCA decision making on the use of the SIF/LCR investment strategy for capital/infrastructure and revenue investments that meet LIS/Growth Strategy targets for increased productivity.
2. Performance Monitoring of the projects funded through the SIF/LCR investment strategy for capital/infrastructure and revenue investments to ensure progress in timescale and spend.
3. Further development of Growth Platform as the City Region Growth Company with continued delivery and expansion of major programmes including the Local Growth Hub, LCR Investment Service, Tourist Board, Careers Hub and North West Energy Hub.
4. Continuation and development of new initiatives to be delivered directly through Growth Platform and with others/partners with additional public and private funding.
5. Encourage and support businesses to develop investment proposals to drive growth especially in the LCR's growth sectors to build the City Region's competitiveness, increase the commercialization of innovation and stimulate indigenous growth and inward investment.

A summary of the initiatives and KPI measures used to monitor delivery are set out in the table below.

## LEP Delivery Mechanisms

Mechanism	Initiative	KPI/Measure
1. Influence over MCA decision making and use of the SIF/LCR investment strategy for investments that meet LIS/Growth Strategy targets	<ul style="list-style-type: none"> <li>2020/21 Local Growth Fund/SIF projects</li> </ul>	<ul style="list-style-type: none"> <li>£ Invested inc Private Sector leverage</li> <li>Jobs created as a result</li> <li>Infrastructure created</li> <li>Sq.ft business space developed inc Impact Sites</li> <li>Learners supported</li> </ul>
2. Performance Monitoring of the projects funded through the SIF/LCR investment strategy to ensure progress in timescale and spend	<ul style="list-style-type: none"> <li>Local Growth Fund/SIF projects</li> </ul>	<ul style="list-style-type: none"> <li>£ Invested inc Private Sector leverage</li> <li>Jobs that are created as a result</li> <li>Infrastructure created</li> <li>Sq.ft business space developed inc Impact Sites</li> <li>Learners supported</li> </ul>
3. Further development and expansion of Growth Platform including direct of existing and newly developed programmes	<ul style="list-style-type: none"> <li>Local Growth Hub</li> <li>LCR Investment Service</li> <li>Skills Brokerage Service</li> <li>Business Resilience Service</li> <li>New Markets</li> <li>LCR Careers Hub</li> <li>North West Energy Hub</li> <li>Tourist Board</li> </ul>	<ul style="list-style-type: none"> <li>Businesses supported</li> <li>Jobs created and safeguarded</li> <li>Improvement in Gatsby Benchmarks</li> <li>Development of LCR energy projects</li> <li>Training and apprenticeships supported</li> </ul>
4. Continuation of and development of new initiatives to be delivered directly through Growth Platform and with others/partners with additional public and private funding	<ul style="list-style-type: none"> <li>LCR 4.0</li> <li>LCR Start</li> <li>LCR Holistic</li> <li>Made Smarter NW</li> <li>Health Matters</li> <li>LCR Investment Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Businesses supported</li> <li>Private Sector leverage</li> <li>Jobs created</li> <li>Visitor no's and spend</li> <li>International student numbers</li> <li>R&amp;D funding and spin outs</li> </ul>
5. Encourage and support businesses, universities etc. to develop investment proposals to drive growth especially in the LCR's growth sectors and skills	<ul style="list-style-type: none"> <li>Various</li> <li>Focus on initiatives that support people into employment</li> <li>Focus on the commercialisation of innovation</li> </ul>	<ul style="list-style-type: none"> <li>£ Invested inc Private Sector leverage</li> <li>Jobs created</li> <li>Infrastructure created</li> <li>Sq.ft business space developed</li> <li>Learners supported into employment</li> </ul>

### Major Projects

There are a range of significant projects (£2m plus) and initiatives that are planned to form the basis of the delivery that will be commenced, completed or delivering outputs during the year. It is also expected that other projects will come forward for approval and commence expenditure during the year to fulfil delivery objectives and output targets. These are funded predominantly by LGF, Growth Hub and ERDF. Committed projects include:

### Infrastructure

- Runcorn Station Quarter (£10.4m)
- Kirkby Town Centre (£10m)
- Halsnead Garden Village (£4.6m)
- Chancerygate (£4.5m)
- City Centre Connectivity (£4m)

### Skills

- Riverside College (£2m)
- Southport College (£2m)

### Business

- Manufacturing Technology Centre (£5.85m)
- Flexible Growth Fund (£5m)
- Pall Mall (£3.85m)
- Sandon Global (£2m)
- Growth Platform Expansion
- LCR Investment Service Development
- NW Energy Hub Expansion
- Liverpool City Region Careers Hub Expansion
- High Growth Business Programme; Inward Investment and Innovation Funds

Together with a substantial number of smaller projects, across infrastructure, skills and business this represents a substantial programme to drive the City Region's growth forward in line with strategic objectives.

There is however considerable future uncertainty due to the onset of the covid 19 health crisis and its impacts both on the local and the global economy. These may impact on the forecasts made and may require a realignment of priorities to meet the needs of business and support them if the period of business lockdown and social distancing persists for an extended period through the year. Current projections are very worrying and demand for business support services as we end the 2019/20 financial year has escalated significantly as businesses raise concerns about viability and survival. We are therefore expecting a very challenging year ahead with the need to be agile and adapt to the needs of business and the wider economy as the year progresses.

## 4. Outputs and Outcomes

### Operational Outputs (2020/21)

From the various funding sources applied during 2020/21 to the strategic priorities set out in the Local Industrial Strategy, the following outputs are anticipated.

- £69m Capital invested (LGF)
- £82m Capital leveraged LGF)
- 1,635 Jobs created (1068 LGF, 567 GH)
- 1,106 Learners supported (LGF)
- 36,000 sqm floorspace developed (LGF)
- 5,000 Businesses supported (GH)

These outputs and the projects producing them will be carefully monitored and reported to the LEP Board on a regular basis through the year, through the use of a performance dashboard as set out below, culminating in an annual performance review at the end of the year.

### Performance Dashboard

LEP Delivery Plan - Dashboard		Overall RAG														
Period - 1 April 2020 - 31 December 2020		Progress on Short-Term Operational Outputs														
	2020-21 Target	Actual Performance														
		Quarter 1			Quarter 2			Quarter 3			Quarter 4			Cumulative Total		
		Value	% of Target	RAG	Value	% of Target	RAG	Value	% of Target	RAG	Value	% of Target	RAG	Value	% of Target	RAG
<b>Investment</b>																
LGF Invested (£m)	68.8															
Locally leveraged investment (£m)	81.8															
<b>Jobs</b>																
Jobs Created *																
LGF	1,068															
Growth Hub	567															
* Apprenticeships included within jobs for LGF																
<b>Skills</b>																
Number of New Learners Assisted	1,106															
Floorspace sqm	36,074															
<b>Business support</b>																
Number of businesses supported (Growth Hub)	5,000															
<b>Commentary</b>																
<b>OVERALL PERFORMANCE</b>																
<b>INVESTMENT</b>																
<b>JOBS</b>																
<b>SKILLS</b>																
<b>BUSINESS SUPPORT</b>																
<p>The monitoring of the progress of the LEP DELIVERY PLAN is by Growth Platform on behalf of the LEP but the successful achievement of it relies on a number of delivery partners. LGF investment and Skills are managed through the MCA, although the constituent LAs also have a role in delivery as do others including the private sector. Growth Platform is responsible for the management of the Growth Hub as well as acting as both lead partner and/or delivery partner in a range of EU and UK projects that provide additional outputs not included in the LEP DELIVERY PLAN OUTPUTS.</p>																

## Long Term Outcomes (2040)

Long term target outcomes for the City Region are set out in the Local Industrial Strategy and can be summarised as follows:

- The liveability of places will have improved, and people will have a tangible stake in the communities they live in. All communities will be clean, green, well designed and have a defined purpose. LCR will be full of desirable places to live, to go to school, to start a family, and to call home.
- The barriers that prevent people living prosperous lives will have been successfully removed. People living in the City Region will be healthy, happy and independent and equipped to succeed through life.
- Liverpool City Region will have secured increased productivity across a business base which offers fair, quality and skilled employment opportunities, that invests in the long-term prosperity of the City Region, and has a wide array of established trading relationships with global and domestic markets.
- LCR's internationally recognised innovation ecosystem will maximise the commercialisation of its genuinely distinctive competitive strengths, with an innovation culture embedded across the business base, delivering well above UK average R&D investment and supporting high levels of productivity
- Connectivity will be an overarching principle for joined up strategy, planning and delivery across all forms of infrastructure. LCR will be a fully connected City Region where all people, businesses and communities have access to the opportunities that the economy offers.
- Liverpool City Region will be a leading clean and green economy, utilising the unique geography and innovation assets of the City Region to transform how people live, work and travel. It will have maximised the sustainability of its industrial base, which through continuous innovation, will be forging new markets within a global low carbon economy.
- The power of technology and data will be used fully to transform all levels of the economy and society. Liverpool City Region will have become a truly smart City Region.
- Liverpool City Region will be a pioneer of inclusivity, addressing systemic disadvantage once and for all, and unlocking the potential of all people and places.