

## LEP UPDATE

### 1. ISSUE

1.1 Updating the LEP Scrutiny Board on some of Cumbria LEP's (CLEP's) activities.

### 2. RECOMMENDATION

2.1 That the LEP Scrutiny Board note this report and raise any issues in relation to it.

### 3. BACKGROUND

#### **Governance**

#### ***Board and Wider Appointments***

3.1 CLEP recently advertised for three new private sector Board members, ideally to represent the visitor economy, advanced manufacturing and professional services. Female applicants were particularly encouraged as CLEP has a gender equality target, which needs to be achieved by January 2023. Interviews took place on 9 September with offers of appointment currently being made. The aim is for CLEP to have the new appointments ratified at the AGM on 30 September 2022. It is likely that a further trawl for Advanced Manufacturing representation will be taking place.

3.2 Alyson Armett, Strategy & Planning Director, Sellafield has replaced Dr Rebecca Weston as the nuclear family representative on the CLEP Board. Alyson has taken up the lead for the Transport and Infrastructure portfolio. The Clean Energy Sector Panel is now being led by a non-Board member, Craig Hatch, President, Tetra Tech UK with the Board ratifying his appointment at its July meeting.

3.3 The Board has invited both Cllr Jonathan Brook and Cllr Mark Fryer to attend Board meetings, as diaries permit. Once the new Authorities are formally constituted CLEP's public sector Board membership will be reduced to 4 places to reflect the reduction in Local Authorities.

#### ***Governance Structure***

3.4 The Board has agreed to the formation of a new Business Decarbonisation Strategy Group to lead the implementation of the 10 Point Plan. A Chair is currently

being sought for this group, who ideally will come from one of Cumbria's larger businesses with a clear commitment to business decarbonisation.

### ***LEP Review***

3.5 A Working Group has been formed with DHLUC officials to take forward the implications of the Levelling Up White Paper on LEPs, namely integration with Local Government by 2030 and the business of LEPs in areas that have no immediate plans for integration. An update will be provided at the meeting, given that recent meetings have been postponed due to the change of Prime Minister.

### ***Annual General Meeting***

3.6 The CLEP Annual General Meeting (AGM) is taking place on Friday 30 September following the main Board meeting. This is going to be delivered as a hybrid meeting with attendees able to attend either in-person or remotely. In keeping with previous years, the Scrutiny Board will be invited to provide an update at the meeting. In the absence of the Scrutiny Board Chair, the Deputy Chair will provide this. CLEP's Annual Report will be launched at the AGM. The link to the booking for the event is: <https://www.eventbrite.co.uk/e/cumbria-leps-cleps-annual-general-meeting-tickets-410326817557>

### ***2021/22 Audited Accounts***

3.7 CLEP's draft accounts were considered at the July Board meeting. These confirm that CLEP is carrying over both a healthy operating and restricted reserve and that going concern status is confirmed. The External Auditor's Report confirmed that there were no material weaknesses in the accounting and internal control systems and that no significant findings from the audit needed to be drawn to the Board's attention.

### ***Strategy***

#### ***Clean Energy Strategy***

3.8 The strategy has now been finalised with constructive developmental feedback received. There were many comments about the balance between big energy projects and smaller community renewable schemes as well as the interaction between Clean Energy Generation and wider areas of Net Zero. The strategy was therefore sharpened to clarify that whilst supportive of all potential renewable schemes CLEP's priority will remain larger transformational schemes.

3.9 The vision was refined to: ***“Cumbria, the UK's natural capital for clean energy generation”*** Cumbria's unique assets will provide the platform for Cumbria

to become a major contributor UK clean energy generation. This will enable us to deliver on our net zero and levelling up ambitions through securing investment to support sustainable and inclusive economic growth.

3.10 The final strategy was published electronically in August and has been circulated for discussion with the Scrutiny Board, under that agenda item.

### ***Spherical Tokamak for Energy Production (STEP)***

3.11 UKAEA has completed its siting assessment for STEP and a recommendation has been made to BEIS with a decision expected from the Secretary of State by the end of the calendar year. A successful Parliamentary Reception was held on 27 May to maintain the profile of the Cumbria bid. A Cumbria event to thank the regional stakeholders, who have supported the bid, took place on the afternoon of 2 September 2022 with attendees also updated on Cumbria's wider clean energy ambitions.

### ***Small Modular Reactors (SMRs)***

3.12 There is growing momentum supporting the siting of an SMR facility at Fellside in Cumbria, where Rolls Royce SMR (RR-SMR) has indicated their preference for the first phase of deployments to be at existing/previous nuclear sites. A successful House of Lords Reception sponsored by Lord Inglewood was held on 28 July with senior presence from RR-SMR, Lords, MPs, BEIS, UKRI, Nuclear Industry Association (NIA) Nuclear Decommissioning Authority (NDA), Sellafield Ltd and regional stakeholders from Cumbria and North Wales.

3.13 CLEP's submission of sites to the competition for the Heavy Pressure Vessel facility resulted in the successful shortlisting of Kingmoor Park in Carlisle, which is one of seven shortlisted sites. This facility is the largest of the module manufacturing facilities required, with an expectation that two further sites might follow. RR-SMR state that 90% of the overall construction effort will be delivered through the manufacturing facilities, which it is envisioned will become a global export market. Over 100 applications were submitted from across the country, so this is a very positive result for Cumbria. CLEP has now submitted further supporting information to Rolls Royce SMR.

### **Business Decarbonisation 10 Point Plan**

3.14 The CLEP Business Decarbonisation Summit took place on Thursday 26 May at the Kendal Auction Conference Centre with presentations from Iggesund, Pirelli, First Milk, NDA, Playdale, Electricity North West and the Lake District Foundation. There was strong attendance and positive feedback from attendees.

3.15 Engagement has continued with the largest businesses to complete the initial engagement with all of the companies with emissions that exceed the Carbon Tax threshold.

3.16 CLEP's Decarbonisation by Design pilot has now concluded, which produced eight technically valuable reports for the businesses and implementation of these will produce significant carbon savings, now and in the future. However, rather than looking to scale up the programme, given the costs incurred and the consistent themes identified, it is felt that a greater return on investment would be provided by implementing the following recommendations:

- **Recommendation 1 – Develop an Audit Advice Framework** - a standardised questionnaire to deliver consistent and quality audits that deliver quantifiable outputs and provide a comprehensive overview of the support that is available.
- **Recommendation 2 – Develop a comprehensive guidance pack** - for each of the six common themes, produced in conjunction with suppliers and also in collaboration with Electricity North-West to complement its support to businesses.

3.17 These tools will be available on the System Navigator as well as case studies from the pilot programme delivered to date. The System Navigator was another key outcome on the CLEP Decarbonisation 10 Point Plan and the output of this pilot will act as the stimulus to get this up and running.

3.18 A number of initiatives are in progress to assess the potential for Hydrogen to be used for industrial decarbonisation in Cumbria. There are a range of proposals that are currently being taken forward in Cumbria including applications to the BEIS Hydrogen Accelerator Fund for a feasibility study; an application to BEIS for a green hydrogen electrolyser; and an application to the North Sea Transition Authority/Crown Estates for Carbon Capture Underground Storage (CCUS).

### ***COP 26 Legacy Events***

3.19 At the NW regional COP26 event in Glasgow attended by CLEP Board members and partners, there was agreement to hold a follow-up programme of leaders events. The first regional leaders event due to be held in Liverpool on the 23 June was cancelled due to the rail strike. This will now instead take place in Ellesmere Port on 20 October as part of a "COP26 +1 year" NW Net Zero Conference. Leaders from Cumbria are being encouraged to attend.

3.20 It is proposed that these events will be held on a rolling 6-monthly basis and it is anticipated that Cumbria will host a session in May 2023. CLEP will commence arrangements after learning from the Ellesmere Port event.

### ***Innovation***

3.21 CLEP continues to explore how to increase innovation activity as a mechanism to improve productivity and reduce labour demand. Further work has continued on the Engineering and Physical Research Council (EPSRC) funded project to identify best practice and to promote this across the business base. This work will continue over the coming months, with an event with the Science Technology Facilities Council (STFC) taking place on 6 October 2022, with further details to follow.

3.22 In order to encourage businesses to innovate CLEP will be launching the £1million+ Innovating for Success grant programme at its AGM on 30 September 2022.

### ***Sector Plans***

3.23 CLEP is working to refresh the strategic and policy focus with some of the other Sector Plans. In the first instance the focus is on rural and creativity and cultural with MetroDynamics starting to work with these Sector Panels to develop the plans. On rural the focus will be developing transformatory proposals similar to those progressed around clean energy and business decarbonisation.

### ***Labour Supply Action Plan***

3.24 CLEP has continued to deliver on its Labour Supply Action Plan to address the acute labour supply issues facing the county. A copy of the Plan is provided at Annex A with members invited to comment on and raise any issues in relation to this.

### ***Delivery***

#### ***Capital Programmes***

3.25 The focus remains on ensuring full defrayment and practical completion of those projects that are still in this phase to ensure that all project activity, is completed in this financial year. CLEP will be working very closely with applicants to ensure that there is no further slippage on these projects.

## ***Skills Bootcamps***

3.26 Skills Bootcamps are part of the Government's Lifetime Skills Guarantee and Plan for Jobs, which have been developed in partnership with employers, colleges, and local authorities. They are flexible courses of up to 16 weeks, giving unemployed, employed or self-employed people who are aged 19+ the opportunity to build up sector-specific skills between Levels 3-5 and fast-track to an interview with a local employer.

3.27 LEPs have been invited to contract the delivery of local Skills Bootcamp provision, with the following provision being delivered in Cumbria:

- Certificate in Tourism and Visitor Economy Management
- Digital Core – Computer Aided Design
- Digital Core – Network
- Digital Core – Cyber Security
- Technical Core – Welding
- Construction – Construction Trades
- Construction – Construction Management
- C&G Agriculture Level 3 Diploma/Certificate
- C&G Level 3 Diploma Land based Engineering
- Management Certificate of Professional Competence for Road Haulage or Passenger Transport

3.28 Skills Bootcamps will create opportunities for in excess of 350 learners, of which over 80% will be required to complete their course. Currently, six individual partners have been appointed to deliver locally following an open Invitation to Tender. All delivery organisations have been categorised as at least 'good' by Ofsted.

3.29 Skills Bootcamps will be co-funded by the employer, where the employer is training their own existing employees. If the employer is a large business (over 250 employees) they will contribute 30% of costs, which is reduced to 10% for SMEs. There will not be, and cannot be, any charges to the individual participants.

## ***Growth Hub Business Support Programme***

3.30 CLEP continues to deliver the BEIS Growth Hub Programme to Small and Medium Enterprises (SMEs), which is delivered by a series of low, medium and high intensity interventions. This year the contract is being delivered entirely in-house as the funding available has inhibited the use of sub-contractors.

### ***Careers and Enterprise Programme***

3.31 The Careers and Enterprise Programme is funded on an academic year basis and as such the delivery periods run from 1 September to 31 August. The contract for the 2022/23 academic year is now in place. The purpose of the Programme is to effectively link the world of education and the world of work, which is more important than ever, given the current serious labour supply issues.

3.32 CLEP has just secured a pilot Hub Innovation Project: Removing Barriers research project in Barrow, which will target Year 13 (17/18 year olds) students studying a vocational and technical qualification at Furness College. It will identify the actual/perceived barriers that young people face in their final year of study and seek to address these. The project will develop sectoral SME clusters, which will engage with the young people in their final year, which will be aligned with CLEP's sectoral work and the business support project, which CLEP will be delivering as part of the Town Investment Plan.

### ***DIT Key Account Management***

3.33 CLEP continues to deliver the Department of International Trade's Key Account Management (KAM) to support relationship management with foreign owned businesses.

3.34 ***The LEP Scrutiny Board is invited to note this report and raise any issues relating to this or any other LEP activity.***