

## LEP DELIVERY UPDATE

### 1. ISSUE

1.1 Updating the LEP Scrutiny Board on the delivery of Cumbria LEP's (CLEP's) capital and revenue programmes.

### 2. RECOMMENDATION

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

### 3. BACKGROUND

3.1 LEPs are assessed by Government against three main themes – governance, strategy and delivery. This report is focused on the delivery theme and provides an update on the delivery of the LEP's capital and revenue programmes.

#### **Capital Programmes**

3.2 CLEP's major capital programmes, Getting Building Fund and Local Growth Fund were financially completed in line with Government's respective deadlines. However, a number of projects still require practical completion and evidence to confirm defrayal of expenditure, in line with the Grant Funding Agreement.

#### ***Getting Building Fund***

##### *Marina Village*

3.3 The deadline for completion of this programme has now been extended to June 2023 as there was a delay in the Environment Agency reviewing the scheme and the applicant could not reframe the expenditure to deliver within the current financial year. These revisions will need to be taken forward with both the current applicant and the new shadow Westmorland and Furness Authority, as full and final completion will transfer to it.

3.4 Additionally, the CLEP Executive has held meetings with relevant stakeholders around the end use of the site in line with the strategic vision for the investment and the housing outcomes that are expected to be delivered. CLEP continues to seek greater clarity regarding this as emerging proposals did not fully align with the basis of CLEP's enabling investment.

##### *A595 Bothel*

3.5 The reconstruction of the Greyhound/Torpenhow Junction, which CLEP has funded, is proceeding and was due for completion in February 2023. A recent update by the Cumbria County Council Delivery Team identified that as a result of various

delivery challenges the completion date would need to be extended. Officers are working to confirm an absolute deadline for practical completion. Again, this will need to be agreed with the current applicant and the new shadow Westmorland and Furness Authority.

3.6 In terms of the wider A595 Bothel Strategic Improvements, the County Council is still awaiting DfT's approval of the Outline Business Case. Council colleagues continue to press for this approval.

### ***Local Growth Fund***

#### *Lillyhall North*

3.7 This scheme is now fully complete. Colleagues in Allerdale Borough Council are in positive and well progressed conversations with local businesses regarding occupation of the entirety of the site by 2024/25. This remains within the timescales for delivering project outcomes.

#### *A595 Grizebeck*

3.8 It is worth noting that the scheme is now estimated to be £8.330m above the Outline Business Case cost estimate provided in 2019 – an increase of 35%. This cost increase is as a direct result of the continued inflationary pressures within the construction industry, resulting in both direct increases in construction materials cost and risk allocated by contractors in pricing contracts. A Change Control to reflect these changes was approved by the Investment Panel. The full scheme is still scheduled for practical completion by August 2026.

#### *Optimising Connectivity 2: Phase 2 - Southern Windermere*

3.9 There has been demonstrable progress with this scheme, with practical completion still on track for this financial year. The project is being closely monitored, with site visits now being undertaken.

#### *Low Carbon Barrow*

3.10 Close monitoring of the various activities within the Low Carbon Barrow project is continuing, with the programme subject to delivery challenges caused by supply chains, inflation, and global economic challenges.

3.11 These pressures have translated into reduced demand for the Low Carbon Barrow Grants Programme as local businesses suffer from unstable markets and general financial insecurity. The practical completion date of the programme remains March 2023, due to revising the programme activity to align with this previously extended delivery timescales. A Change Control has been approved in correspondence to reflect these changes.

## *Summary*

3.12 Defrayed expenditure is continuing to be monitored with the latest position showing a further 32% reduction in the outstanding sum to be evidenced from £2,247,501, to £1,528,600, in the past three months. This has reduced from £4.533 million since the outset of this financial year.

3.13 The outstanding evidence requirements now sit within 3 schemes - Optimising Connectivity 2, Grizebeck and Low Carbon Barrow. At this stage, expenditure within Optimising Connectivity and Grizebeck appear to be on schedule. Current reporting would suggest some level of risk with the remaining expenditure within Low Carbon Barrow. However, the Local Growth Fund projects includes a £427,416 element of over-programming funded by the Cumbria Infrastructure Fund (CIF), and as such there is some scope to manage any underspends.

### ***Northern Cultural Regeneration Fund***

#### *Abbot Hall*

3.14 The practical completion of the Abbot Hall refurbishment was completed with South Lakeland District Council transferring the operation of the Hall over to Lakeland Arts on 22 December 2022. All necessary reporting requirements are being provided to DCMS.

### ***Community Infrastructure Fund***

3.15 At a previous meeting LEP Scrutiny Board members confirmed their support to repurpose the Community Infrastructure Fund from a loan fund to a grant fund to support investment in either innovation or business decarbonisation. This resulted in the creation of the Innovating for Success (IfS) grant programme.

3.16 The programme was launched at CLEP's Annual General Meeting on 30 September 2022, with Expressions of Interest invited from businesses by 28 October 2022. This resulted in 103 business enquiries of which 96 formally submitted an Expression of Interest.

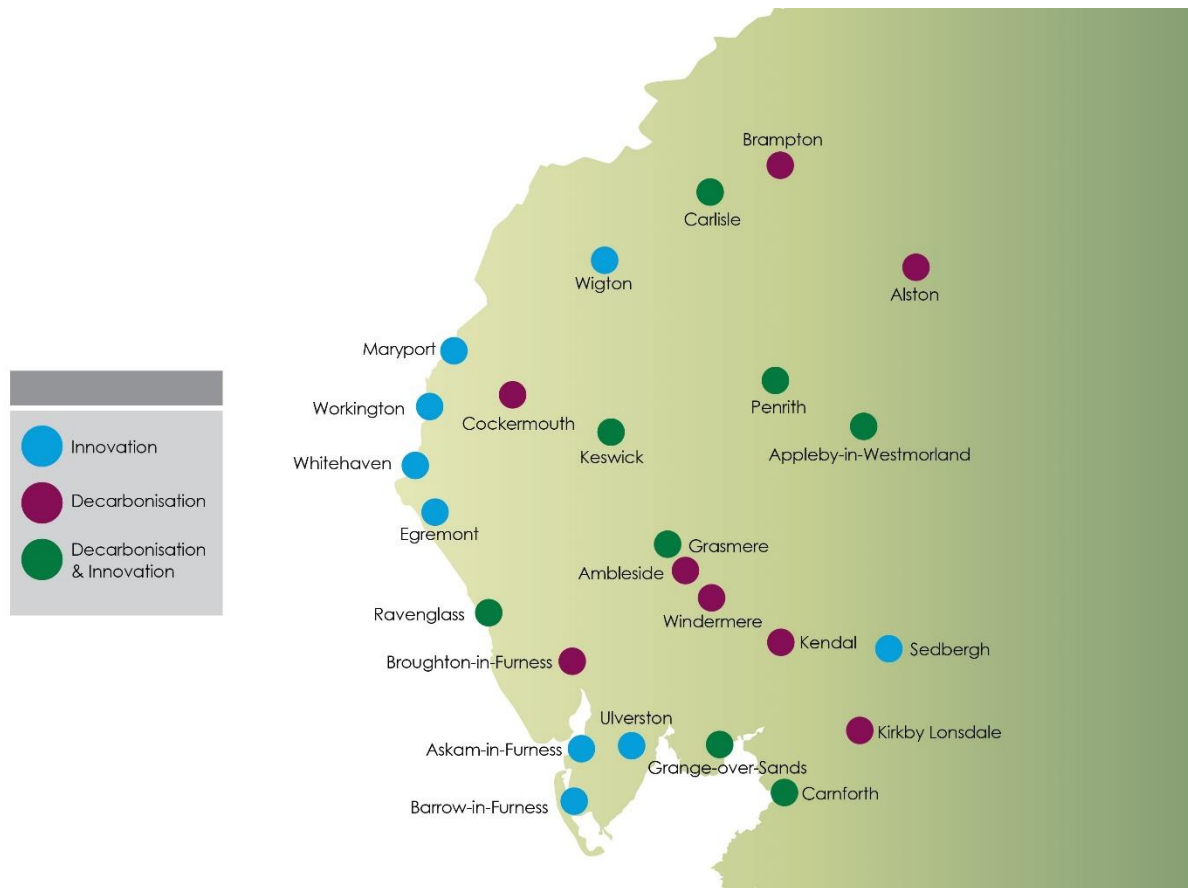
3.17 Following eligibility checks, 91 businesses were invited to complete a full application and return this 6 January 2023. In supporting applicants to develop their applications FIS360 provided innovation advice and CLEP provided decarbonisation advice. During the process 29 applications were formally withdrawn, with 23 decarbonisation and 32 Innovation applications submitted. The remaining 7 businesses neither applied nor formally withdraw from the process.

3.18 The grant request of all of the full applications is £1,557,880 with a total eligible expenditure of £5,226,839. The breakdown being:

- Decarbonisation £390,986 with a total project expenditure of £2,273,057
- Innovation £1,166,895 with a total project expenditure of £2,953,782

3.19 The available IfS Grant is £1,065,518, inclusive of the costs of both Stantec and FIS360.

3.20 The map below shows the geographical spread of applicant businesses:



3.21 The full applications are now being appraised with CLEP working with Stantec to complete these. Recommendations will be presented to a special Investment Panel on 27 February 2023 for approval, under the Panel's delegated authority.

## Revenue Programmes

### ***Skills Bootcamps***

3.22 The largest revenue programme being delivered by CLEP in 2022/23 is the Department of Education (DfE) Wave 3 Skills Bootcamp programme, with an income of £975,362.

3.23 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.

3.24 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 and reduced to 10% for SMEs (less than 250 employees). There will not be, and cannot be, any charges to the individual participants.

3.25 The local Skills Bootcamps, which are being delivered in Cumbria are:

- Digital Core – Computer Aided Design
- Digital Core – Network
- Digital Core – Cyber Security
- Technical Core – Welding
- Construction – Construction Trades
- Management Certificate of Professional competence for Road Haulage or Passenger Transport
- HGV skills
- Certificate in Tourism and Visitor Economy Management
- Project Management

3.26 Contracting has produced challenges with some providers unable to generate the starts that they contractually agreed to deliver. This has been a particular challenge for the FE Sector. The LEP has therefore needed to secure new independent providers from outside of Cumbria to bolster delivery.

3.27 Significant progress was made throughout December to secure the 373 starts required on the Programme. Importantly, the 50% 182 starts milestone target was met in December, with 187 learners started, in line with DfE's extended deadline for this.

3.28 The LEP has received its offer for 2023/24 for £1.2m, with 70% of this (£840k) confirmed immediately and the rest to be confirmed later in the year. The LEP has issued Invitation to Tenders to secure places for 371 learners, covering the following provision:

- Digital Core – Computer Aided Design
- Digital Core – Cyber Security
- Technical Core – Digital Manufacturing
- Construction – Construction Trades
- Green Skills – Retrofitting
- Logistics - HGV skills
- Certificate in Tourism and Visitor Economy Management
- Project Management

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

3.29 CLEP receives £231,000 to deliver business support advice to Small and Medium Enterprises (SMEs) through BEIS's Growth Hub programme. This is being delivered by a series of low, medium and high intensity interventions, with targets of 200, 500 and 50 to be delivered, respectively for each of these interventions, alongside 15 Workshops. All activity is to be delivered by 31 March 2023.

3.30 The Programme is being by an in-house team - Head of Business Programmes, Business Growth Manager and Business Advisor, with input from the Chief Executive and other members of the team. However, in order to ensure that targets are met CLEP has moved ahead with sub-contract support from a small number of organisations. All outcomes are to be delivered by the end of the contractual year, together with the necessary evidence to support the full drawdown of expenditure.

3.31 The programme performance as at 14 February was as follows:

	<b>Annual Target</b>	<b>Completed</b>	<b>Pipeline (meetings held or in progress)</b>	<b>Total</b>	<b>OUTSTANDING TARGET</b>
<b>Light</b>	200	166	11	177	23
<b>Medium</b>	500	308	56	364	136
<b>High</b>	50	50	0	50	0

3.32 The planned delivery for the remainder of the contract year will ensure that all targets are effectively delivered with the focus being on medium assists as these have the greatest proportion of delivery activity still outstanding. The combination of planned in-house and sub-contracted delivery exceeds the number of medium assists outstanding. At this point there is no indication of funding into 2023/24.

### ***Barrow Town Deal***

3.33 The Barrow Town Deal revenue programme is a Business & Enterprise support project, which will provide tailored assistance to individuals and SMEs in Barrow to support resilience and business growth. The programme will aim to increase business start-ups; those becoming self-employed, or people who wish to create community businesses. A combined total of 541 enterprises and individuals will be supported by the project.

3.34 The project is now fully mobilised with a contract now in place with the Cumbria Chamber of Commerce signed in October 2022, with project activity

officially launched on 28 November. The CLEP Project Manager took up post on 5 December with new arrangements for this being put in place in March 2023. The main activities have related to strands 1 and 2 of the project, namely, enterprise support and community enterprise support, including awareness raising, marketing, advertising and promotion in local press, poster campaigns in Barrow Jobcentre Plus, Barrow Business and Intellectual Property Centre (Barrow Library), and via Furness College, Inspira, Sure Start and Groundwork. This was alongside social media promotion including LinkedIn sponsored content and Chamber/ Cumbria Social Enterprise Partnership/CLEP social media channels.

3.35 The activities planned for January-March 2023 include:

- Self-employment online workshops delivered online, every other month.
- Three-day business start-up course at The Forum, delivered by a local business advisor.
- Accounting training courses and using Canva for business.
- Commencing supply Chain activity (strand 3), with the Chamber of Commerce using its established relationships with BAE Systems to support delivery.

### ***Careers Hub***

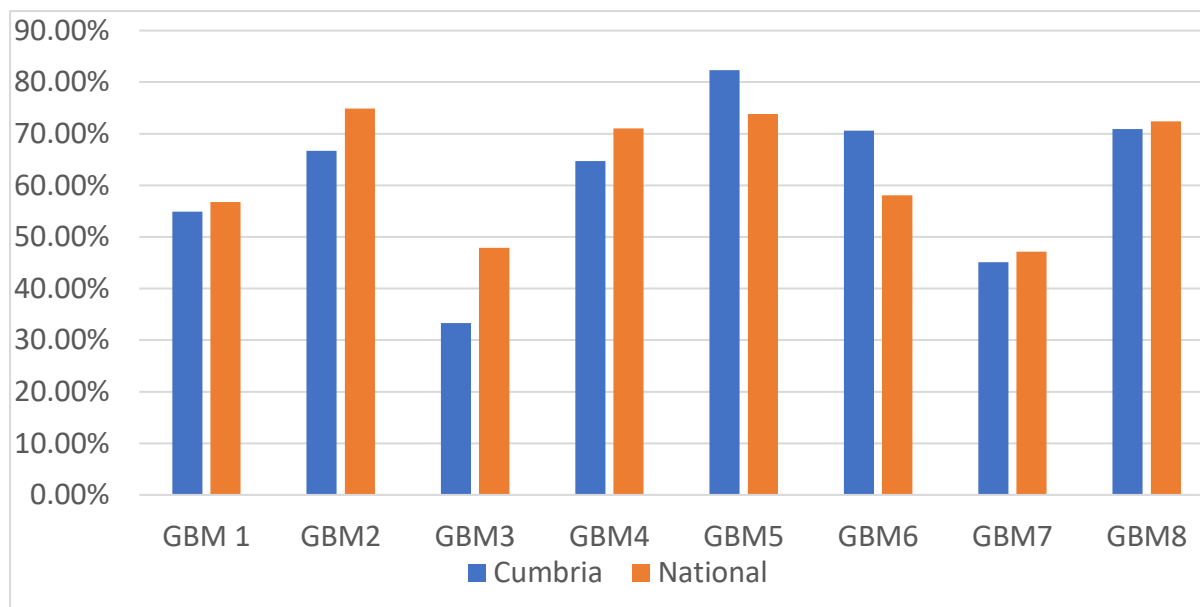
3.36 In Autumn 2021 the CEC and CLEP confirmed additional funding would be made available to enable the Hub to support all mainstream secondary schools, special schools and colleges in Cumbria. This resulted in the appointment of a further 0.5 Enterprise Coordinator and the recruitment of a further 11 schools into the Hub, with all eligible schools signing a Memorandum of Understanding and joining the Hub by January 2022.

3.37 Funding for the Academic year 2022/23 has been confirmed by the CEC but at a reduced rate. The caseload for Enterprise Co-ordinators has been increased from circa 15 to circa 20 schools and the activity funding per school has been reduced from £800 per school to £600. The Team now consists of Cath Dutton Careers Hub Manager; Jo Tate Senior Enterprise Co-Ordinator; Rachelle Poyntz, HIP Co-ordinator and Sharon Hitchen, Programme Administrator. Mel Carr Part Time Enterprise Co-Ordinator is currently on maternity leave.

3.38 The reduced funding has resulted in a review of caseloads with the two full-time ECs increasing their caseload to 24 schools each, including Special Educational Needs and Disability (SEND) and Pupil Referral Unit (PRU). The Hub Manager will continue to provide support to the FE colleges. The Programme Administrator will provide administrative support to the Enterprise Coordinators to enable them to

focus on supporting the schools to achieve the Gatsby Benchmarks and Grant Offer Letter targets.

3.39 Progress against the Gatsby Benchmarks is shown below. This data is from the Compass Returns submitted by schools and colleges in December (96% return).



3.40 The Hub has targeted support in place to improve achievement of the Gatsby Benchmarks including:

- GBM1: Parental Engagement Task & Finish Group to identify and share best practice;
- GBM2: Launch of the [U-Explore](#) Cumbria Labour Market Platform for schools, young people and parents;
- GBM3: Our Future Alumni - 18-35 inspirational employees supporting promotion of the opportunities in Cumbria by going back into schools
- GBM4: Teacher Encounter Project to engage teachers with industry;
- GBM6: Experience of the Workplace Task and Finish Group to explore different models to offer more meaningful engagement and support **all** young people;
- GBM7: Supporting schools to implement the new Provider Access Legislation (Jan23)

3.41 The CEC launched the **Hub Innovation Project (HIP): Removing Barriers** fund in 2021. A second round was launched for delivery in the 2022/23 academic year, commencing in September 2022 and CLEP was successful with their application with funding of £66,500 subsequently secured.

3.42 The HIP project is designed to identify new ideas or approaches to resolve gaps in careers education and provision to remove barriers and improve young



people's outcomes, particularly for those, who are disadvantaged and will be delivered in partnership with Furness College.

3.43 The project focuses on Barrow because:

- The Universal Credit (UC) claimants aged 18-24 are significantly above the levels in Cumbria and England
- Nearly one in ten young people are unemployed
- The town is the 31<sup>st</sup> most deprived local authority in England, out of 317 areas
- The perception is that BAE is the only employer in the area due to its size
- Employability skills in young people is identified as a major issue by businesses as demonstrated in young peoples' ability to complete aptitude tests when applying for jobs and apprenticeships.

3.44 The project will focus on Construction, Hair and Beauty and Motor Vehicle as the curriculum areas as these have lower levels of positive destinations.

3.45 The Careers and Enterprise Company also recently launched the **Teacher Encounter Fund**, with the Careers Hub being successful with its application. The aim of the project is to develop teacher awareness of career opportunities linked to their own subject area by enabling teachers to spend time in industry. The project will support up to 24 teachers from across Cumbria focused on the A66 scheme employers. The funding secured is £19,500 plus £5,400 match funding from the National Highways.

3.46 It will support delivery of Gatsby Benchmark 4 and raise awareness of employment opportunities in the construction sector. Currently, BM4 score is 64.7% in Cumbria and the national achievement rate is 71%, with several schools highlighting the challenge in achieving this Benchmark. In addition, research has highlighted that subject teachers are not confident of the career options linked to their subjects.

## **International Trade**

3.47 CLEP continues to deliver the DiT Key Account Management function and has refreshed its delivery plan to ensure that the investment targets for this financial year are achieved.

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