

Lancashire  
Enterprise Partnership

# Annual Report

# 2020-21



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# Chairman's Foreword



priority, and a new *Strategic Economic Framework* has been developed.

We have commissioned the final stages of Lancashire's *Local Industrial Strategy*, which will likely evolve to form the government's new *Growth Plan* for Lancashire, and we are developing an *Internationalisation Strategy* to maximise opportunities in terms of international trade and inward investment.

The LEP also remains committed to ensuring Social Value is integral to our work, and we look forward to the publication of a new *Social Value Charter* later this year.

To help us fulfil our vision we require a passionate and committed team and I'd like to thank all Board members for their support in a very challenging period.

This year we have welcomed Annette Weekes, Kam Kothia and Cllr Michael Green as new Board members. I would like to thank Cllr Geoff Driver, recently retired Leader of Lancashire County Council, for his support since the LEP was set up.

My gratitude also goes to Andrew Pettinger who supported the LEP as Interim Chief Executive for a period and has ensured an efficient handover to our new permanent Chief Executive, Sarah Kemp.

Earlier this year Steve Fogg resigned as LEP Chair to take up a new role. We are currently seeking to appoint a permanent Chair of the Board. I would like to thank Steve for his input and wish him well for the future.

**“We look forward to working with all our stakeholders to build a strong recovery and a return to economic growth”**

Thanks also go to the Communities Local Growth Unit (CGLU) and our local government partners for their continued support.

We look forward to working with all our stakeholders to build a strong recovery and a return to economic growth. We will continue to create new opportunities for the people of Lancashire.

**David Taylor, CBE DL**

At the start of 2020 no one could have anticipated the effect that Coronavirus would have on our lives. Given the challenges this presented, much of the LEP's time and resources have been focused on mitigating its impact.

However, it is worth remembering that Lancashire's economy faced significant challenges before the advent of the pandemic.

Many firms started the financial year in a state of uncertainty regarding the UK's future relationship with the EU. Despite this, we pressed ahead with investment - supporting initiatives which would drive growth regardless of what version of Brexit was eventually negotiated.

This included £20m of *Growth Deal* funding to help progress the Advanced Manufacturing Research Centre North West at Samesbury Enterprise Zone. Delivered in partnership with Sheffield University, UCLan, and Lancaster University, AMRC North West will help the county's world-class advanced manufacturing sector maintain its leading position.

Another notable investment was made to support the Health Innovation Campus at Lancaster University. The first phase of this £41m R&D facility is now open, bringing together academics, businesses, and the health sector, to tackle global healthcare challenges.

Other new and exciting opportunities have also been progressed. We have supported Lancaster City Council, Lancaster University, and Lancashire County Council, on proposals for Eden North and have worked closely with Marketing Lancashire to support the county's ambitious bid to become the UK's *2025 City of Culture*.

Our support for the *Greater Lancashire Plan*, led by the Lancashire's Local Government Leaders, continues. In addition, we recently published a new *Culture Strategy*.

Unlocking Lancashire's full economic potential remains a core

# The LEP Board



**Cllr Stephen Atkinson**  
Leader, Ribble Valley Borough Council

**Miranda Barker**  
Chief Executive, East Lancashire Chamber of Commerce

**Cllr Alyson Barnes**  
Leader, Rossendale Borough Council

**Mick Gornall**  
Managing Director, Clean Energy & Specialist Services, Cavendish Nuclear

**Cllr Michael Green**  
Cabinet Member for Economic Development, Environment and Planning, Lancashire County Council

**David Holmes OBE**  
Operations and Technology Director, BAE Systems - Air

**Ann Jordan MBE DL**  
Founder, Benetimo PR

**Kam Kothia DL**  
Chief Executive, Time2Technology

**Amanda Melton CBE**  
Principal and Chief Executive, Nelson & Colne College

**Andrew Pettinger**  
Partner, Addleshaw Goddard LLP

**Mark Rawstron**  
Director, Chrysalis General Partner Board

**Cllr Phil Riley**  
Executive Member for Growth and Development, Blackburn with Darwen Council

**Khalid Saifullah MBE DL**  
Managing Director, Star Tissue UK

**David Taylor CBE DL (LEP Chair)**  
Pro-Vice Chancellor and Chair, University of Central Lancashire

**Cllr Ivan Taylor**  
Deputy Leader, Blackpool Council

**Annette Weekes**  
Managing Director, PDS CNC Engineering Ltd

**Claire Whelan**  
Group Managing Director, Ansuka Group

For biographies of our Board members please visit the LEP website at [www.lancashirelep.co.uk](http://www.lancashirelep.co.uk)



# Chief Executive's Overview



## A year like no other

The past twelve months has been one of the most extraordinary years ever, as we've faced the harsh realities of managing the consequences of the pandemic.

Very few communities and businesses remain unaffected as we mourn the lives of lost family members, friends and colleagues, and experience the sharpest economic downturn in over 300 years.

The situation has tested the sustainability and resilience across most industry sectors, impacting some more than others, and having a disproportionate effect on different occupations and different parts of the county.

But the pandemic has also seen many individuals, communities and companies digging deep and rising to the challenge of maintaining jobs, supporting supply chains, and protecting markets.

We've also witnessed firms innovating and diversifying to create new products, services, business models and investment opportunities.

Some sectors - such as energy and low carbon technologies, construction and defence - have even experienced some of the most positive trading periods ever.

It's therefore a diverse and complex economic landscape which lies ahead, and one I'm confident the LEP can and will navigate in a strategic, targeted and inclusive manner.

## Laying foundations for future growth

To help drive our post-Covid recovery, the LEP has over the last year developed a series of initiatives and funding

strategies to stimulate growth.

One is the creation of business-led Sector Groups which are focussed on Lancashire's key industries.

They are made up of business leaders - from both SMES and large employers - who represent different sub-sectors and different Lancashire regions.

These groups have led the development of sector-specific recovery plans - responding to the immediate and urgent opportunities and challenges which different kinds of businesses face - while also forging new route maps for longer-term growth.

The LEP has also been successful in securing £34.1m from the Government's *Getting Building Fund*, now committed to ten key projects, which will help create around 1,800 new and safeguarded jobs.

This investment will support green growth, build 1,000 new housing units, and leverage a further £80m of public/private sector investment. Most importantly, these outputs will be delivered between now and the beginning of 2025.

Other LEP funding streams continue to play a key role in stimulating growth across the county.

All remaining funds from the £320m of *Growth Deal* investment previously secured by the LEP is now committed to supporting over 50 projects.

These projects are forecast to create and safeguard over 16,000 jobs, leverage a further £367m of new investment, support almost 12,000 learners to achieve a new qualification, and provide business support to over 2,000 enterprises.

The *Growing Places Fund*, initially established to unlock stalled investment, now operates as a revolving evergreen loan fund and has supported eleven schemes to date, lending over £32m.

This in turn has leveraged a further £103m of investment.

## Supporting Lancashire's businesses

Supporting our businesses at a grass roots level has continued to be a key priority, and Lancashire's *Boost* Business Growth Hub service - which typically helps around 1,000 businesses each year - delivered a full range of services despite the lockdown.

*Boost* was also at the frontline of Lancashire's crisis response to the immediate economic impact of the

pandemic - providing urgent help to our businesses when they needed it most.

*Boost* services were quickly migrated to accessible online platforms, allowing the remote delivery of support for many struggling firms.

A new *Boost* brand, *#AskforHelp*, signposted and supported local businesses to access the different financial support schemes brought forward by Government.

As some Lancashire businesses started to look towards a post-pandemic future, *Boost* then launched its *#BoostYourRecovery* initiative. This was designed to help Lancashire firms develop strategies to help them recover in the short-term, and understand the challenges and opportunities which lie ahead.

## Investing in skills and training

Skills and training has remained a core priority for the LEP this year.

Following consultation with employers, training providers, and stakeholders, a refresh of the *Lancashire Skills and Employment Strategic Framework* was published. This responded to the impacts of the pandemic in addition to progress made since its first publication in 2016.

Other notable achievements within the skills space included the launch of the new *Open Source Labour Market Intelligence Toolkit*, the creation of the country's first *Digital Skills Partnership*, and the expansion of the award-winning *Careers Hub* and *Enterprise Adviser Network*.

We have also invested £40m *Growth Deal* capital, and £98m of *European Structural Funds* revenue, into new skills provision and learning facilities.

## A partnership approach

All of these achievements would not be possible without the continued financial support from government departments, including BEIS and MHCLG, and the members of the LEP Company: Lancashire County Council, Blackburn with Darwen Council, and Blackpool Council.

The LEP works in partnership with many local stakeholders including all of Lancashire's local authorities, Chambers of Commerce, and business networks. Lancashire's MPs, our universities and colleges, and many other agencies, institutions and organisations, are also all valued partners in the work that we do.

Through the LEP Network, NP11, and the Northern Powerhouse initiative, we continue to develop regional

collaborations which generate benefits for Lancashire far greater than we could achieve if acting alone.

For this continued commitment to partnership working and support, I would like to thank all our sponsors, partners and stakeholders.

**“It's a complex economic landscape which lies ahead, one which I'm confident the LEP will navigate in a strategic, targeted and inclusive manner”**

## Looking ahead

Beyond our immediate response to the pandemic, the LEP Board is committed to supporting a prosperous and sustainable economy for the future. It will continue to set strategic direction and oversight for our medium and longer-term goals, as well as facilitating sub-committees, sector groups and partnerships which are key to our progress.

I am very grateful to them for their support and commitment to good governance, and welcome the introduction of new scrutiny arrangements by all the Local Authorities of Lancashire through the Joint Scrutiny Committee.

Finally, I would like to thank the Executive team, and those who deliver our programmes. They have all demonstrated the utmost professionalism and commitment - and have been unstinting in their hard work - in what have been incredibly challenging circumstances.

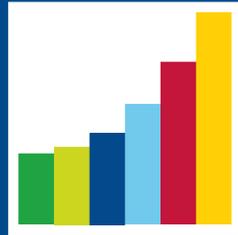
In the year ahead I look forward to working with them, the LEP Board, our partners, our local communities, and our businesses, to help Lancashire build back stronger; creating inclusive economic prosperity for everyone along the way.

**Sarah Kemp**

# The LEP at 10



## TEN THINGS WE ARE PROUD OF...



Raising £1.5bn Capital Investment from the public and private sectors to drive transformational growth across Lancashire



Securing Enterprise Zone status for employment sites at Samlesbury, Blackpool, Hillhouse and Warton, the largest number of EZs awarded to any LEP area in England



Negotiating the £450m Preston, South Ribble and Lancashire City Deal in 2013 which continues to generate new jobs, homes, infrastructure and growth



Investing in over 50 housing, jobs, skills and infrastructure projects, with £320m LEP Growth Deal funding, leveraging an additional £367m of partner investment



Working with the Boost Business Growth Hub which has supported over 3,800 businesses, helped to create over 3,500 jobs, and added £112m to our economy since 2013



Delivering over 2,000 new jobs, 600 new homes, and 1m+ sq ft of new commercial floorspace in some of Lancashire's most deprived areas through the £19.3m Growing Places Fund



Generating £31m of Social Value through Growth Deal projects via our Social Value Toolkit which is now embedded in all of our major investment programmes



Creating and delivering nationally recognised and award-winning skills programmes including the Digital Skills Partnership, Careers Hub and Enterprise Adviser Network, and the Lancashire Skills Escalator



Being a founding partner of the Northern Powerhouse initiative and continuing to work together collaboratively across borders and at scale for greater impact



Enabling the delivery of the long-awaited £32m Broughton Bypass in 2017, reducing road congestion and improving local air quality

## TEN THINGS WE ARE LOOKING FORWARD TO...



The launch of the LEP's Social Value Charter to ensure even more Social Value is generated through our projects, programmes and investments



The completion of the £20m AMRC North West advanced manufacturing facility at Samlesbury Enterprise Zone



Working closely with the LEP's new Sector Groups to help our key industries recover from the pandemic quickly, creating more jobs and driving growth



Progress on the proposals for the transformational Eden North project at Morecambe Bay in partnership with Lancaster City Council, Lancashire County Council, and Lancaster University



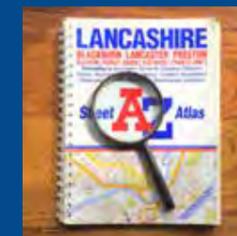
Phase one of the £41m Health Innovation Campus at Lancaster University becoming fully operational, and its next phases of development



The outcome of Lancashire's bold, unconventional bid to be the UK's 2025 City of Culture



Seeing major infrastructure projects complete on site including the £189m Preston Western Distributor and the £18m Blackburn and Darwen Pennine Gateways scheme



The implementation of the LEP's new Strategic Economic Framework, Internationalisation Strategy, and Culture Strategy



Playing a central, proactive role to help the government deliver its Net Zero ambitions, its Green Growth economic plan, and its Levelling Up agenda



The evolution of the visionary Greater Lancashire Plan being led by Lancashire's Local Government Leaders

## IMPACT AT A GLANCE 2011-2021

Capital Funding invested in Lancashire to date:	New homes created:	Jobs created, safeguarded & apprentices:	Commercial floorspace created or refurbished:	Training facilities created or refurbished:	Increase in learners achieving up to L4 qualifications:	SME businesses and enterprises receiving support:	Social Value impact of Growth Deal to date:
£756m	19,006	27,126	373,526 sqm	42,371 sqm	10,988	4,644	£31.1m

# Economic Review 20/21



## The Lancashire Context

Lancashire has a diverse population of over 1.5m people, over 60% of whom are of working age.

The county also has a significant talent pool. Across four universities, a student population of over 55,000 continuously adds to that talent every year.

Our workforce serves 52,000 businesses, generating £34bn GVA per year. Prior to the pandemic, Lancashire had the second largest economy in the North West.

## Economic Performance

The biggest determinant of Lancashire's economic performance this year has been the pandemic. While no region escaped its impact, Lancashire faced a particular set of challenges including experiencing tighter regional restrictions for longer than most.

## GDP

Nationally, the final quarter of 2019 into the first quarter of 2020 saw the first signs of GDP contraction, culminating in a technical recession. The following two quarters saw a return to growth. Smaller growth in the final quarter of the year followed before a 1.5% contraction in the first quarter of 2021. The North West's GDP, which is calculated without seasonal adjustments, followed a very similar path to the national one.

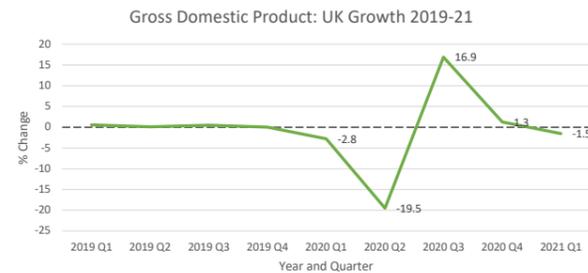


Figure 1: GDP, Quarter on Quarter Growth, Chained Volume Measure, Seasonally Adjusted. Source: ONS GDP first quarterly estimate time series (PN2)

## Hours Worked

The sharp drop in GDP, and the associated volatility during the course of the pandemic, was also experienced in weekly hours worked. These dropped from over 1,052 million hours worked pre-pandemic to 842 million between April- June 2020. Since then, the rise and fall of hours worked have largely mirrored GDP.

## Employment

The impact of the pandemic on Lancashire's workers has been similar to the impact on the North West and nationally. Pay-rolled jobs dropped considerably after March 2020 as businesses shed staff or closed. Large scale redundancies affected all areas of the UK including Lancashire.

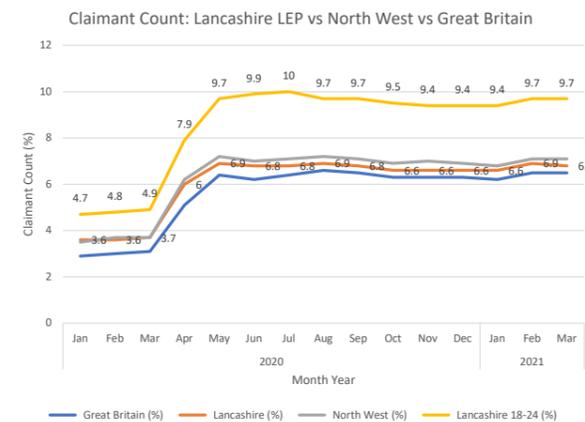


Figure 2: Claimant Count (%), Percentage of economically active residents of the same age claiming universal credit with a requirement to search for work. Source: NOMIS

Large increases in joblessness and persistent joblessness experienced in Lancashire followed the introduction of restrictions in March 2020. The claimant count rose from 3.7% in March 2020 to 6.9% in May 2020, reflecting around 30,000 additional individuals claiming Universal Credit.

A higher claimant count has been persistent throughout the pandemic, still standing at 6.8% as of March 2021. This persistence in the rate is broadly in line with the national and regional picture.

There is significant variation across Lancashire's authorities, with Blackpool and the East Lancashire authorities (minus Rossendale) all above the county average.

This pattern of regional variation can also be seen in the furlough figures. This reflects the differing vulnerabilities of those areas who have more people employed in the sectors that have been most severely impacted by Covid.

In particular, young people have borne the economic brunt of the pandemic, with the claimant count for those aged 18-24 almost doubling between March and May 2020, the rate sitting at 9.7% as of March 2021.

Job vacancies in Lancashire at the start of the pandemic were below their pre-pandemic levels, such that job postings recorded online were lower in March 2020 than they were in March 2019. However, since August 2020 monthly postings remain above 2019, which is encouraging.

## Impact of Furlough

Furlough has supported the wages of those in Lancashire who are unable to work but has reduced their spending power and economic output. However, Lancashire has fared reasonably well, showing a rate of furlough of eligible workers consistently below the national average.

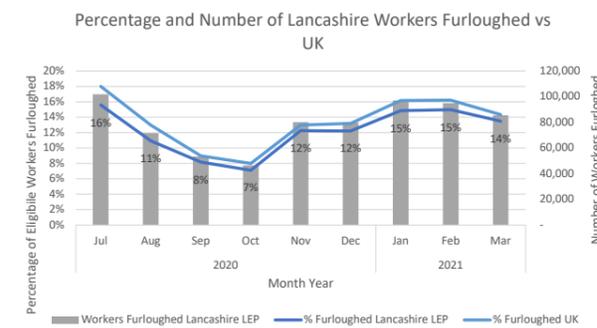


Figure 3: Lancashire LEP Coronavirus Job Retention Scheme Statistics, Percentage of Workers Furloughed vs UK and Number of Workers Furloughed. Source: HMRC Coronavirus Job Retention Scheme Statistics, March 2021.

In the early stages of the pandemic, there were over 100,000 workers in Lancashire having their employment supported by the furlough scheme with around 85,000 still furloughed as of March 2021. The hospitality and leisure - and retail and wholesale sectors - have been particularly badly affected, as

well as the aerospace sector (which has suffered from a loss of demand for civil aircraft).

## Apprenticeships & Skills

Apprenticeship starts were down in Lancashire by 21% compared to the previous year, compared to 18% reduction nationally. Considering that Lancashire apprenticeship starts were actually up year on year for the first quarter of 2019/20 by 2.2% - compared to a reduction of 4.3% nationally - helps demonstrate how severe the impact of Covid has been.

Lancashire continues to grow its skills base, with the number of residents qualified to NVQ4 or above having grown 3.3% annually over the last five years. In the previous five years the annual growth rate was 0.3%. Lancashire still lags the North West and Great Britain in the rate of growth but is now approaching parity.

## Business Creation

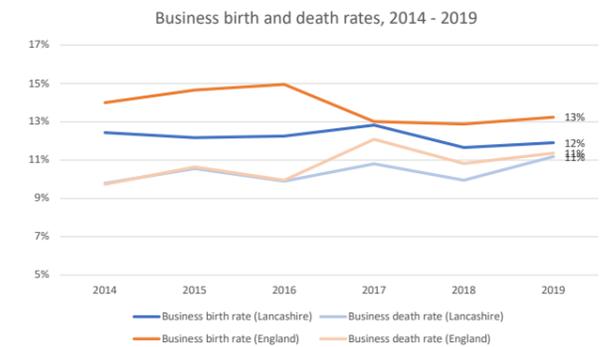


Figure 4: Business Birth and Death Rates, 2015-2018. Source: ONS Business Demography, 2019.

Most recent data suggest business births in Lancashire lag the rate for England, but business deaths are in line. In this way, Lancashire creates net fewer businesses than is typical nationally.

However, new data analysis undertaken during the pandemic suggests that Lancashire's volume of business creation is outperforming its North West neighbours, with almost 14,000 new businesses registered between 1st April 2020 and 31st March 2021. This was an increase of 17.1% from the previous year. For context, North West business creation grew in 2020/21 by 16.7%.

**“New data analysis undertaken during the pandemic suggests that Lancashire’s volume of business creation is outperforming its North West neighbours”**

# Economic Strategy



The role of the Lancashire Local Enterprise Partnership is to help set economic strategy and priorities, and drive economic growth, for the county. We are also responsible for producing Lancashire's *Local Industrial Strategy* as directed by government.

This year the LEP Board also agreed Phase One of the *Delivery Plan*.



**Our Strategic Economic Framework**  
Over the last year the Board, under the leadership of LEP Chair Steve Fogg, consulted widely with stakeholders, partners and businesses to produce a new *Strategic Economic Framework* for Lancashire.

The new *Framework* sets the parameters and areas of focus to be further developed. They include:

- Economic policy and strategy setting for Lancashire
- Enhanced data gathering and analysis to support decision-making
- Key priorities for investment and interventions
- Resource allocation and alignment of public funds to agreed priorities

Essential to being accountable for strategic leadership is the monitoring and evaluation of our strategic impact.

Key outputs and outcomes to be measured include:

- New and sustainable jobs for everyone
- Improved productivity across Lancashire's business base
- A vibrant ecosystem which supports new business start-ups and growth
- Investment and growth in new

industries for Lancashire

- Significant contribution to Net Zero carbon targets across all sectors
- Enhanced sustainable, internationally competitive businesses

The *Framework* outlines a leadership structure which brings the public and private sectors together.

This approach is designed to address the underlying economic challenges of the county while also maximising both existing and emerging opportunities.

It further identifies key industry sectors for employment and productivity growth.

A set of enablers, to help tackle barriers to growth or to ensure greater economic impact, complement the sector analysis.

The *Framework* also sets out principles and values which are to be embedded within the LEP's new *Delivery Plan*, such as creation of more Social Value.

**Our Delivery Plan**

This year the LEP Board agreed Phase 1 of a new, comprehensive economic *Delivery Plan* for Lancashire which includes:

- A Social Value Charter
- Stakeholder Engagement Plan

- Internationalisation Strategy
- Support to the Greater Lancashire Plan
- Sector Groups for six key employment sectors
- Response to Covid-19 and Sector Plan for each sector
- Local Industrial Strategy
- Refresh of the Lancashire Skills and Employment Strategic Framework
- Implementation of the Innovation Strategy and Plan
- Review of Finance for Business
- Strategic Financial Strategy

**Our Local Industrial Strategy**

A key element of the *Delivery Plan* will be our *Local Industrial Strategy* (LIS).

Due to the impact of Covid-19, the LIS' evidence base has been refreshed and a new economic forecasting model to track changes in the economy at a local level was commissioned.

The same model will support development of the *Greater Lancashire Plan* (GLP) to ensure decisions are based on a single version of the truth.

In addition to strategic input from a wide variety of partners and stakeholders, the LIS and GLP will be informed by our six new Sector Groups.

Their inputs and added value will include:

- Bringing real-time, business-led independent views of the performance of the sector
- Providing evidence and analysis from within a rapidly changing economic environment
- Establishing key priorities for action, with appropriate timing and sequencing of intervention
- Setting benchmarks for performance
- Having oversight of the implementation and impact of specific programmes and projects

The Sector Groups will further identify which economic enablers are most important to the success of their respective sectors, and how to enhance them. Sector-specific enablers include:

- Education and skills
- Infrastructure (physical and digital)
- Finance for business
- Health and wellbeing
- Inward investment and internationalisation

Government has recently announced new *Growth Plans* for the future as we emerge from the pandemic, and the LIS will form the cornerstone of this next stage of the local economic strategy.

**Our Internationalisation Strategy**

As a core strategic element of the county's business base and supply chains, internationalisation continues to play a critical role in Lancashire's economy.

It is also central to our innovation and R&D landscape, sporting and cultural heritage, visitor economy, and our universities.

**“This approach is designed to address the underlying economic challenges of the county while also maximising both existing and emerging opportunities”**

In response, a new *Internationalisation Strategy* was commissioned by the LEP to:

- Develop more globally competitive sectors through increased inward investment and exports
- Integrate Lancashire businesses with more international supply chains
- Attract more overseas students to our universities

- Maximise the global potential of our science and innovation offer through increased collaborations
- Leverage economic links with foreign-owned businesses and our global workforce
- Optimise relationships between Lancashire-based influencers (commercial, political, academic and cultural) and their personal international networks
- Attract more migrant workers to support key sectors such as health, tourism and agriculture

Additional frameworks, plans and reports which inform our overarching economic strategy for Lancashire include:

- The Lancashire Local Assurance Framework
- The Lancashire Social Value Toolkit
- The Lancashire Skills and Employment Strategic Framework Refresh
- The Lancashire Innovation Plan
- Remade: A Cultural Investment Strategy for Lancashire
- The Lancashire Technical Education Vision
- The Lancashire Digital Skills Landscape

All our strategic documents are available to download from the LEP's website: [www.lancashirelep.co.uk](http://www.lancashirelep.co.uk)

# Partnerships



The LEP's partners include local authorities and government departments, large employers and SMEs, national and regional business networks, public agencies and education providers, and many others.

We also work closely with MPs and policy makers, and collaborate with the Northern Powerhouse, NP11 and the LEP Network.

Artist's impression of Eden North, Morecambe



## A collaborative approach

Generating prosperity and opportunities for everyone in Lancashire can only be achieved by working with others, and the LEP collaborates with a wide range of organisations - locally, regionally, and nationally - to help it deliver its strategy for long-term economic growth.

## Transformational opportunities through partnership

The last year has seen the LEP work collaboratively on two multi-partner initiatives in particular which have the potential to deliver transformational benefits for the whole county:

### Eden North

Eden North is conceived as a new environmentally focused visitor attraction and research centre that seeks to reimagine the British seaside resort for the 21st century. Situated in Morecambe, it would be a year-round destination which combines indoor and outdoor activities while connecting people with the unique natural environment of Morecambe Bay.

Development of the *Vision and Business Case* for this £125m investment, which aims to open in 2024, is supported by the LEP, Lancashire County Council, Lancaster City Council, and Lancaster University.

From creating new construction jobs and direct employment opportunities, to generating a massive boost for our

tourism and hospitality sectors, and from delivering inspiring education experiences for our young people to facilitating ground-breaking environmental research, so Eden North's impact on Lancashire would be significant.

### City of Culture 2025

Lancashire 2025 is a bold and ambitious bid to DCMS for *City of Culture 2025* status.

Centred on the creation of a Virtual City across the whole of Lancashire - comprised of four digitally connected neighbourhoods - the unique concept is based on how culture in the 21st century is defined by the digital interface between different communities.

Through the creation of 1.5 million connections between individuals and organisations across the county, the *Lancashire 2025* programme would create an integrated cultural experience across an entire county for the first time. The LEP has supported the development of the bid, in partnership with Marketing Lancashire, Lancashire County Council, and the *Lancashire 2025* charity.

### Local partnerships and placemaking

The LEP successfully secured £34.1m of the government's *Getting Building Fund* to support job creation and drive green growth in the county. Ten projects have been approved for investment, which will deliver new housing, new commercial space, highway improvements, and new infrastructure across the county.

Two projects - ReDCAT in East Lancashire (delivered in partnership with East Lancashire Chamber of Commerce), and the Low Carbon Smart Building Demonstrator at the Samlesbury Enterprise Zone (delivered in partnership with the AMRC North West) - will focus in particular on the emerging low carbon technologies sector and contribute to the government's Net Zero agenda.

The LEP has also worked with West Lancashire District Council to bring forward a scheme, supported by our *Growing Places Fund*, which has enabled the *Transforming Ormskirk* programme to progress. The council believes the scheme will act as a catalyst for further new investment in Ormskirk town centre.

Lancashire continues to benefit from £320m of government *Growth Deal* funding which has supported over 50 projects across the county in recent years. Delivered by local authorities, public agencies, education providers, and private sector partners, *Growth Deal* funded programmes have helped to generate thousands of new jobs, created thousands of new homes, has improved the county's infrastructure, and has unlocked millions in additional investment.

Details of all *Growth Deal* and *Getting Building Fund* projects, and our highly valued delivery partners, can be found on the LEP website.

## Working together to support business

Partnerships are also central to our business support programmes, and we support companies of all types and sizes through a range of initiatives:

### The Boost Business Growth Hub

Delivered through a partnership between the LEP and Lancashire County Council, *Boost* sits at the heart of Lancashire's business support eco-system. The LEP's role is that of a strategic reference point and conduit for funds, while the council employs the *Boost* delivery team and acts as the Accountable Body for the service.

*Boost* itself also works with multiple partners and supporters, both within Lancashire and beyond. It is part of a North West cluster of Growth Hubs, has strong links with the Northern Powerhouse Investment Fund, and works closely with other Northern Powerhouse colleagues on business support programmes and trade and investment initiatives.

### The Lancashire Skills and Employment Advisory Panel

Supported by the Lancashire Skills and Employment Hub, and chaired by LEP Director Amanda Melton, the *Lancashire Skills and Employment Advisory Panel* is a partnership between industry, educational providers, and local authorities. It is responsible for overseeing the *Lancashire Skills and Employment Strategic Framework* and engaging partners in the delivery of

priorities and objectives.

Other groups involving employers, providers and policy makers which underpin our skills provision include the *Adult and Employer Skills Forums*, the *Digital Skills Partnership*, and the *Health and Social Care Skills Partnership*.

The Hub also continues to work in partnership with businesses and industry networks across the county to promote the Lancashire Skills Pledge, and has successfully extended both its *Careers Hub* offer and its *Enterprise Adviser Network*.

**“Our Growth Deal funded programmes have helped to generate thousands of new jobs and create thousands of new homes”**

### Aerospace Task Force Recovery Plan

A sub-group of the LEP's Manufacturing Sector Group, *The Aerospace Task Force*, chaired by LEP Director Claire Whelan, was convened in urgent response to the catastrophic impact of Covid-19 on the civil aerospace industry.

One key outcome of this group, which is made up of business leaders from the aerospace sector, was a comprehensive *Aerospace Task Force Recovery Plan*. The Task Force's interventions -

based on a range of different recovery scenarios - are designed to help protect the order book and stem the loss of employment from Lancashire's aerospace sector, and its extensive supply chain.

Key partners, including the North West Aerospace Alliance and Lancashire County Council, have supported the ongoing delivery of the aerospace recovery strategy.

### The Lancashire Innovation Board

The LEP's Innovation Board is chaired by Graham Baldwin, Vice Chancellor of UCLan. It brings together a range of private and public sector partners to provide strategic leadership and accountability for the LEP's *Innovation Plan* and has continued to forge relationships with external organisations regionally, nationally, and globally.

The Board also continues to work closely on joint initiatives with UCLan, Lancaster University, and other higher education providers. Additional innovation programmes have been successfully developed in partnership with government departments and the Catapults.

We would like to take this opportunity to thank all our partners for their support and hard work during what has been a very challenging year, and we greatly look forward to working with them - and with new collaborators - as we go forward.

# Priority Sectors



The LEP's Strategic Framework is aligned to sectors which have been identified as being key to Lancashire's economic growth.

These include tourism and culture, manufacturing, energy and low carbon, digital, food and agriculture, and health.



### Industry-led insights

To maximise the potential of our priority industries, the LEP has over the last year established dedicated groups - made up of industry leaders drawn from relevant businesses - which focus on individual sectors.

Group members meet regularly and share their professional expertise and sector experience with the LEP; helping us to shape our economic strategy, respond to opportunities and tackle potential issues proactively.

### Priority sectors and Covid

The Sector Groups, formed in the early stages of the Covid-19 pandemic, initially focussed on developing an appropriate response to its impact.

For some sectors, the impact to be addressed was more severe than for others, but all groups look to identify emerging challenges and opportunities and develop an impactful response, whether for short or longer-term gain.

The groups have also been looking at wider sector issues exacerbated by Covid such as supply chain disruption and skills shortages. Taking this more integrated view of sector-specific issues has helped the LEP target its support more effectively.

### Our Sector Groups:

#### Tourism, Culture and Place

With businesses having to contend with a year of uncertainty and fluctuating restrictions, Lancashire's tourism, hospitality and culture sector has been significantly impacted by Covid-19.

However, many businesses also adapted their offer, working within the restrictions to keep trading, albeit at a reduced level. Government support packages have also been helpful, and the Sector Group helped co-design Lancashire's *Kickstart Tourism* grants which have offered a lifeline to many struggling operators.

But even with the gradual lifting of lockdown the extent of Covid's impact on our tourism and cultural economy is still largely unknown. As such, the group will continue to look at ways in which we can secure continued support for our tourism and cultural sector during the coming year, and we will work with partners such as Marketing Lancashire to help develop a compelling Lancashire offer which capitalises on current opportunities such as demands for staycations.

#### Manufacturing

With aerospace being one of Lancashire's most important industries, the severe impact of the pandemic on civil aviation saw our Manufacturing Sector Group convene a dedicated

*Aerospace Task Force* which identified multiple interventions aligned to different recovery scenarios.

Such business-led solutions have proved invaluable to our *Aerospace Sector Recovery Plan* especially when targeting support, working with partners, and negotiating with government.

The LEP has also worked closely with Lancashire's wider manufacturing industry as it recovers from the impact of Covid. Further, through *Boost*, we are a key delivery partner for the *Made Smarter Industry 4.0* support programme.

#### Energy and Low Carbon

Lancashire has significant strengths in oil, gas, nuclear and large-scale renewables which is complemented by an emerging specialisation in small-scale renewables. Our expertise in 'old energy' and newer, 'green energy' means we are well placed to significantly contribute to the government's Net Zero ambitions.

Lancashire's energy sector has also been relatively resilient to Covid-19, meaning it has a great opportunity to capitalise on the rising demand for more sustainable energy sources and low carbon solutions. Further, we look forward to COP26, and the opportunity to demonstrate to the world that Lancashire is a hotspot for low carbon technologies innovation.

### Digital

Lancashire's Digital Sector Group is in the early stages of development but has already made great strides with regards to mapping Lancashire's strengths and opportunities in the digital industries space.

The LEP is working closely with Lancashire County Council and other partners - including employers and universities - on a piece of new, deep-dive research. This will look beyond traditional definitions of digital industries and will analyse how Lancashire can benefit from the rapid convergence of digitalised processes.

We will also build on the success of the part-LEP funded Lancashire Skills and Employment Hub who have established Lancashire's *Digital Skills Partnership* - a strategic body made up of employers, education providers and policy makers which will help ensure the county has the skills base needed to deliver more digital growth.

### Health

The newly established Health Sector Group will take a holistic view of health and prosperity rooted in the belief that *health is wealth* and *wealth is health*. Comprising of members from both the public and private sectors, the group will articulate the opportunities for businesses to provide solutions to

address some of Lancashire's health inequalities, increase productivity, and achieve better outcomes for our people.

**“Throughout the pandemic, and as we navigate our recovery, the LEP's Sector Groups have had a major influence on how we support Lancashire's key industries”**

The group will also work with healthcare providers and anchor institutions - including employers - to explore how better health and wellbeing provision can boost performance and drive more local economic growth.

We further want to ensure that business-driven innovation addresses the underlying causes of health inequalities and benefit from scaling-up of innovative solutions aimed at health and social care markets.

### Food and Agriculture

In addition to managing the impact of the pandemic, dealing with the effects of Brexit on our food and farming industries has continued to be a priority for LEP's Food and Agriculture Sector Group.

Some consequences of leaving the EU, such as recruiting seasonal workforces, may continue to be challenging. While others, such as export opportunities in new territories, may drive more growth.

The group has also been looking at how Lancashire's self-sufficient food production capabilities can be more closely aligned with government priorities. These include domestic food security and more sustainable farming practises. Further, the adoption of more automation - and the sector's valuable contribution to the climate change agenda - will be key going forward.

### Looking ahead

Throughout the pandemic, and as we navigate our recovery, the LEP's Sector Groups have had a major influence on how we support Lancashire's key industries. They will continue to develop robust *Sector Plans* and advise on interventions. This will help us maintain a competitive position - in our strongest markets - on a regional, national, and international basis.

# People & Employment



Adult Learners at Linkbridge Community Centre, Burnley

**14,600+** Page views for the Covid-specific Skills for Work microsite

**4,300+** Employment and training referrals facilitated by the *Lancashire Skills Escalator*

**400+** Laptops and tablets distributed to disadvantaged over-50s during the pandemic

**160+** Local business leaders who volunteer as Enterprise Advisers in Lancashire's schools and colleges

### A proactive response to Covid

The impact of the pandemic has been significant for the people of Lancashire since the initial lockdown in March 2020.

The county has seen a significant increase in the number of people claiming Universal Credit, particularly in more disadvantaged areas, compounding the levelling-up agenda.

In response, the Lancashire Skills and Employment Hub worked with over 50 partners to develop and the launch the *Skills for Work* microsite ([www.skillsforwork.info](http://www.skillsforwork.info)).

The site was launched in the summer of 2020 and provided an easy way for people to find support from a wide range of providers. It offers guidance to residents who are furloughed, looking to reskill or upskill, are facing redundancy, or who are unemployed. There was also specific provision targeted at 16-24-year-olds, taking into account the adverse impact of the pandemic on this group.

The microsite was promoted via social media, and a 'Skill Up' campaign to specifically target young people was run on Instagram, Snapchat and Tik Tok.

Both promotions resulted in increased engagement with our target audiences.

### Supporting people into employment

The Hub continued to lead and facilitate the *Adult and Employer Skills Forums* virtually, with high levels of participation from partners. The Forum supports the implementation of the *Lancashire Skills Escalator*, and manages the integration of *European Social Fund (ESF)* programmes and mainstream provision.

It also ensures people are supported to move up the *Escalator* and into sustainable employment. The *Escalator's* online referral tool, *Escalate* - which contains over 140 employment and training offers that support people into work by local area - has facilitated over 4,300 referrals.

In addition, the Hub has been working in partnership with the Department for Work and Pensions (DWP), helping to deliver the government's *Plan for Jobs* and *Sector Skills Work Academy* initiatives and integrating them with local offers.

An example includes the collaboration between the NHS, Lancashire Adult Learning, People Plus and referral organisations. Funded through ESF and Adult Education Budget, this project engaged with over 143 people. As a result, 121 have successfully been offered clerical and administration employment in Lancashire's Mass Vaccination Centres.

Support for young people at risk of or NEET (not in employment, education, or training), and those who are unemployed, has continued to be delivered via ESF, with many providers pivoting provision to online.

To the end of March, 5,987 at risk of or NEET young people have been supported, and 20,717 unemployed and inactive adults.

### Award-winning digital inclusion

The pandemic, and the need to connect with public services virtually, brought to the fore the need for more digital inclusion within the skills and employment space. In response, the *Lancashire Digital Skills Partnership* worked with several partners to boost access to devices and data, with a skills wraparound.

For example, *The Digital Freedoms 50+* programme, delivered with SELNET, Lancashire Libraries and community partners, enabled the distribution of over 400 devices to disadvantaged Lancashire people over age 50. In addition, Lancaster's *Connecting Kids* project secured a donation of 80 laptops from National Grid.

The work of the *Partnership* was recognised in the *Digital Leaders 100*. Following a public vote and pitch to a panel of experts it also won the *Digital*

*Leaders 2020 Award* for Skills or Inclusion.

### Inspiring young people

Covid-19 and lockdown have had a significant impact on the aspirations of young people and their perceptions of the labour market.

This meant the work of the *Careers Hub* and *Enterprise Adviser Network*, which helps to boost the aspirations of young people, even more vital with regards to breaking myths about a lack of opportunities caused by the pandemic.

Funding from the Careers and Enterprise Company (CEC) and partners enabled our Blackpool, Burnley and Pendle *Careers Hub* pilot to roll out across Lancashire, supported by our expanding *Enterprise Adviser Network*.

Working with our delivery partner Inspira, the *Careers Hub* and *Enterprise Adviser Network* grew to include every Lancashire college and almost every secondary school. All of Lancashire's special schools and alternative providers are also now part of the scheme.

Over 160 business leaders - who act as voluntary Enterprise Advisers - are matched to each of the local institutions, helping to develop bespoke and inspirational careers programmes. The roll-out of the *Careers Hub* and extended *Enterprise Adviser Network*

was launched at a virtual conference in October. Over 160 head teachers, careers leaders, Enterprise Advisers and stakeholders took part in the event.

Digital engagement and virtual employer encounters were also proactively developed to support our careers provision during the pandemic. In December, having secured match funding from a range of partners (including the *Blackpool Opportunity Area Twinning Funds* and Future U) we invested in a county-wide *START* platform.

*START*, which had been successfully piloted in Blackpool, is an online resource which provides high-quality and targeted interactive experiences with both employers and education providers to excite young people about the world of work.

### An evidence-based approach

Lancashire's Skills and Employment Hub's interventions and strategies are informed by a robust evidence base which identifies opportunities and barriers to achieving a skilled, balanced and inclusive labour market.

This local management information data, including our *2021 Skills and Employment Strategic Framework Refresh*, is freely available on the Hub website. This ensures all our partners -

including policy makers, employers and training providers - can adopt a joined-up approach to overcoming the challenges we face.



Digital Leaders 100 Award for Skills or Inclusion



Lancashire's expanding Enterprise Adviser Network

# Placemaking



Preston city centre improvements

£103m

Additional investment leveraged by the LEP's £32m evergreen *Growing Places* loan scheme

£80m

Secured by the LEP to support town and city centre redevelopment across Lancashire

£48m

Ongoing investment to support the LEP's overarching *Renewal of Blackpool* programme

52

Capital projects funded to date by the £320m *Growth Deal Fund*

## Transformational investments

Revitalising Lancashire's cities and towns are a key priority for the LEP and its partners. But we also recognise that the way our conurbations connect to each other, and the wider region, has a massive impact on both the lives of residents and our economy. We therefore continue to invest substantially in both places and infrastructure, ensuring that people enjoy a better quality of life wherever they live, work or study.

The LEP is also committed to creating opportunities for everyone by generating tangible and measurable Social Value through its investments.

## Lancashire's Growth Deal

Lancashire's £320m *Growth Deal Fund* has continued to help drive projects and programmes which are transforming many of the county's key conurbations.

There are 52 capital projects within the *Growth Deal* programme which have been delivered over the last six years. A sample of a projects, which are making a significant contribution to our placemaking strategy, delivered or completed in 2020/21, include:

### Northlight

The £32m transformation of a former cotton mill in Pendle, East Lancashire, into a major destination, is nearing completion thanks to *Growth Deal* support.

Delivered by PEARL, a joint venture between Pendle Borough Council and Barnfield Investment Properties, this mixed-use scheme - situated on the banks of the Leeds and Liverpool Canal - will provide leisure opportunities, new adult learning facilities, business units, apartments, and new canal moorings.

### North West Burnley Growth Corridor and Padiham Town Hall

This £8.2m project will deliver new infrastructure at two sites which aims to boost the vitality of Padiham town centre, and drive housing and employment growth. Currently on site, and being delivered by Burnley Borough Council, work includes new flood defences, new residential units, and major public realm improvements.

A key element centres on Padiham's iconic Town Hall. A listed civic building, the hall will be refurbished to provide commercial floorspace including the creation of a new business hub. A new public square will also be created in front of the Town Hall's façade.

### Skelmersdale Town Centre redevelopment

Currently, on site and due to complete in December 2021, this £16m scheme will provide modern retail units, together with public realm improvements, in Skelmersdale town centre. The project, being delivered by West Lancashire Council, will also create a vital link between Skelmersdale's shopping centre and West Lancashire College.

### Preston City Centre improvements

This £8.2m development - being delivered by Lancashire County Council in partnership with Preston City Council - has completed a key phase of public realm works.

Improving connectivity of the city's principal transport hubs, and featuring new developments and commercial sites within the city centre, the scheme has helped to create a distinctive destination for workers, shoppers and residents.

This project will also generate confidence in the market - driving more private sector investment at a time when our town and cities are re-evaluating and reshaping their purpose.

### ETC Urban

Funded via the LEP's *Growing Places Fund*, the ETC Urban development has kick-started Preston City Council's *City Living Strategy*. This project has transformed a 120-year-old disused warehouse into 18 duplex apartments, together with new high-grade office space.

### Driving Blackpool's renaissance

Revitalising Blackpool continues to be a priority with a cluster of *Growth Deal* funded projects progressing this year. The schemes make up the LEP's overarching £48m *Renewal of Blackpool* investment strategy which is designed to strengthen the town's competitive advantage as one of the

UK's leading visitor destinations, and accelerate its social, cultural and economic renewal.

Major projects currently on site, due for completion in 2021-2022, delivered by Blackpool Council, include:

### Blackpool's 21st century conference centre and 5 star hotel

Anchored at Blackpool's famous Winter Gardens, this new £28.8m conference centre and hotel scheme will enable Blackpool to compete for new opportunities within the national and international conferences, meetings and events market.

### Showtown

Blackpool's first ever museum, the £10.3m Showtown project will tell the captivating story of how Blackpool became Britain's first and largest seaside resort, and the pivotal role the town has played in the development of British popular entertainment over the past 150 years. Showtown will also celebrate Blackpool's evolution from being a playground for northern manufacturing towns to becoming an international centre of popular culture and performance.

### Blackpool Town Centre Quality Corridors

Blackpool Quality Corridors is a £7.8m project which delivers a series of strategically important public realm and streetscape improvements across five locations in the town centre. In addition

to public realm improvements, the project also provides for a small number of strategic property purchases, and a grant scheme to help improve the appearance of shop fronts.

### Blackpool Tramway Extension

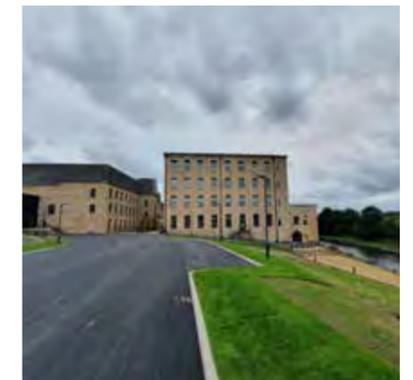
The £22.8m extension of Blackpool's tram system will see the resort's tram services fully integrated with rail services at Blackpool North Station. This will improve public transport access to Blackpool's seafront hotels and attractions, including the Pleasure Beach, and connect North Fylde to the national rail network.

### Houndshell Shopping Centre and Abingdon Street Market

As part of Lancashire's £34.1m funding pot from the government's *Getting Building Fund*, a new £8.6m investment will drive the redevelopment of two landmark Blackpool town centre sites; Houndshell Shopping Centre and Abingdon Street Market.

The Houndshell Extension will feature an 850-seat multimedia, conferencing and entertainment centre (including a nine screen IMAX cinema), while Abingdon Street Market will be completely refurbished to enhance the visitor experience and increase footfall.

Both projects will add substantial value to Blackpool's retail and leisure offer and will create new jobs both directly and indirectly.



Northlight, Pendle



Blackpool's Tramway Extension

# Business Support



Bloom In Box, Ormskirk

**£30m** Value added to the Lancashire local economy by helping foreign-owned companies to grow

**£1.1m** Of Covid Business Adaptation Grants secured to help SMEs pivot during the pandemic

**3,000** Packages of business help and advice facilitated by the *Boost* business support service in response to Covid

**327** Local business owners who directly benefitted from the *Lancashire Peer Network* business support programme

**200+** Lancashire firms supported by the *Access to Finance* service during lockdown

## Stepping up to support local businesses

Lancashire can boast a significant publicly-funded business support offer which is closely aligned to the LEP's strategic objectives, target sectors and ambitions for growth.

This support network is funded from a range of sources, complementing the private sector offer locally, and maximising engagement in national programmes.

Some elements of this funding are awarded via the LEP for specific purposes. These include Lancashire's Business Growth Hub *Boost*, and match-funding for services like the *Access to Finance* programme, to which significant additional local authority resources also contribute.

Significant business support - from the provision of physical infrastructure to one-to-one engagement - is also delivered through many of the LEP's wider funding programmes and strategies. These include the *Growth Deal Fund*, the *Lancashire Enterprise Zones*, the *City Deal*, the *Growing Places Fund*, and the *Getting Building Fund*.

The Lancashire Skills and Employment Hub also works closely with Lancashire businesses to help them widen their skills base in response to changing demand and increase their overall

capacity. This in turn helps them to drive more growth and create new jobs.

**Boost**  
*Boost* has been operational since 2013 and engages with local businesses to offer early-stage support, mentoring services, and signposting to other advice and support programmes.

Since its inception, *Boost* has helped Lancashire firms to create over 3,000 jobs, supported the establishment of almost 1,000 new businesses, and increased wages and profits in the local economy by more than £112m.

In the last year, *Boost* has been at the centre of Lancashire's response to the impact of Covid-19 on local business.

During this period, *Boost* saw a 100% increase in inbound enquiries from companies seeking assistance, while average monthly traffic to the *Boost* website rose by over 50%.

At the start of the pandemic, *Boost* pivoted from its day-to-day focus (working primarily with growth-orientated companies) and refocussed its offer as a universal support service for all Lancashire firms.

This was built around a communications campaign centred on an initial campaign message, *#AskForHelp*, which helped triage businesses who were hit hardest by Covid.

As some companies and sectors started to find ways to continue or restart trading, new support and advice packages were promoted under the *#BoostYourRecovery* initiative.

*Boost's* migration to online platforms, and a realignment of its provision, resulted in almost 3,000 separate pieces of business support, advice and signposting being delivered to local firms.

**Securing new funding to help our companies recover**  
The *Boost* Business Growth Hub, and other partners, were awarded BEIS funding to undertake more strategic activity based around Covid resilience and the impact of Brexit.

*Boost* further secured and distributed an additional £1.1m of *Covid Business Adaptation* grants which helped support over 300 businesses through *#BoostYourRecovery* and *Kickstart Tourism Lancashire* grants.

*Boost* also successfully bid for Covid-response funding from BEIS to develop and deliver a series of peer-to-peer business groups.

By the end of the year over 30 *Peer Network* cohorts - each featuring representatives from between eight and twelve different Lancashire firms - had been delivered online.

In total, Lancashire's *Peer Network* programme engaged directly with 327 participants, and enjoyed a 97% satisfaction rating.

**Helping Lancashire firms to secure more investment**  
Despite incredibly challenging conditions for both local SMEs and business advisers, over 200 investment-ready firms benefited from a range of support services delivered via the Growth Hub's *Access to Finance* team. As a result, Lancashire firms who engaged with *Access to Finance* have applied for over £9m of loans, grants and equity investment.

The *Access to Finance* programme (which is match funded by BEIS) also identified a need for equity investment to accelerate post-pandemic growth resulting in an *Equity Funding for Early Stage Businesses* initiative. Part of this programme includes a ground-breaking *Early Stage Valuation* tool which helps business owners understand the value of their business more clearly, empowering them to be more confident when negotiating with investors.

We also continue to promote other routes to SME investment, finance and support. These include the *Northern Powerhouse Investment Fund* (NPIF), the *Made Smarter* Industry 4.0 support programme, and many of the government's Covid recovery schemes such as the *Coronavirus Business*

*Interruption Loans*.

**Looking beyond Lancashire**  
With support from the Department for International Trade and Investment (DIT), the Growth Hub continues to benefit from funding for a Key Account Manager who is responsible for relationship management of foreign-owned companies based in Lancashire.

The position, now in its third year, supports a range of engagement with Lancashire's international business community; regularly providing them with market intelligence and sourcing and facilitating new opportunities.

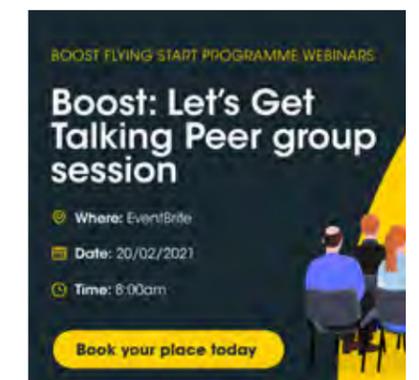
In the last year, the incumbent Key Account Manager reached our KPI to support six new international investments. These have already generated 300 new jobs and have contributed £30m of capital expenditure to the local economy.

The success of the Key Account Manager role has further helped us secure additional DIT funding for an International Trade Manager who took up post at the end of 2020.

Both roles will actively contribute to Lancashire's evolving *Internationalisation Strategy* and other interventions aimed at promoting Lancashire as a dynamic and attractive global investment destination.

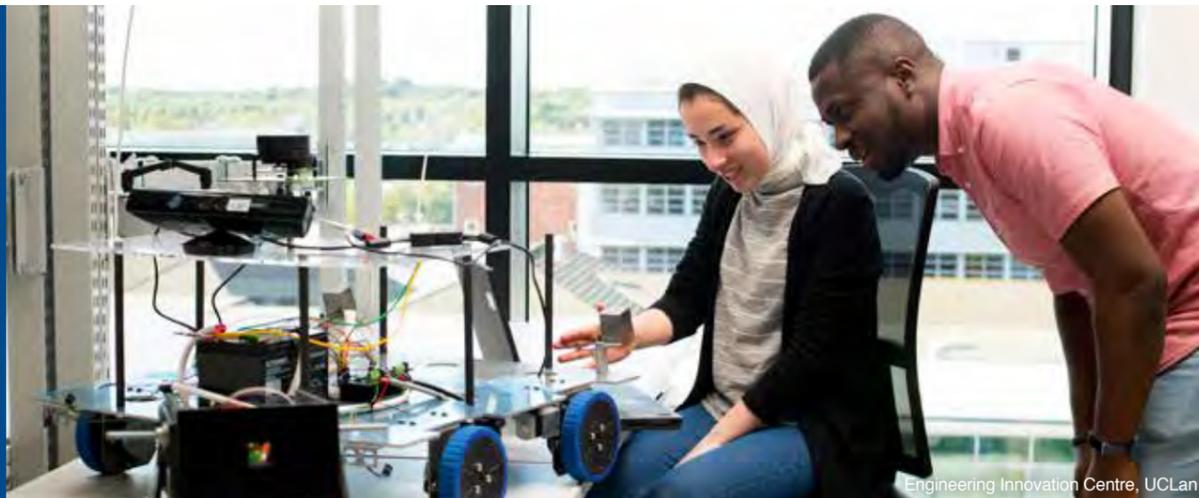


DA Techs, Chorley



Boost online support

# Innovation & Technology



Engineering Innovation Centre, UCLan

£60m+

LEP investments to support innovation projects through *Growth Deal* and *Getting Building Fund*

226

Businesses assisted by LEP Innovation projects in 2020 - 2021

47

Online discussion panels and digital events programmed for Lancashire's first Innovation Festival

13

ESIF-supported projects helping Lancashire SMEs to innovate

## Driving innovation through strategic interventions

The LEP's *Strategic Economic Framework* recognises innovation as a cross-cutting enabler which will be at the heart of Lancashire's *Local Industrial Strategy* and forthcoming *Growth Plan*.

Our *Innovation Plan* clearly sets out the challenges Lancashire faces to stay ahead. This includes not only a need to grow sectors where Lancashire is strong - such as aerospace and advanced manufacturing - but also a need to expand into new growth areas.

Economic growth will be delivered by cross-fertilising innovation and technology across different sectors and developing more knowledge intensive firms. We will maximise the opportunities offered by the rapid convergence of digitalised technologies across different industries and supply chains.

Support, funded through the *Growth Deal Fund*, *Getting Building Fund* and the *European Social Investment Fund* (ESIF), is available to firms who can demonstrate their commercial potential and innovate successfully. From ideation and peer learning, to specialist advice and investment, through our partnerships we can offer help at every stage of the business journey.

The Innovation Team has identified four important 'innovation missions' for the next stage of innovation support. This is based on an in-depth analysis of the

strengths, opportunities and challenges which are unique to Lancashire. These are further strengthened by support for management, productivity, investment readiness, and access to funding.

This work, informed by the LEP's *Sector Plans* and its *Technology Roadmap*, will enable a refresh of our *Innovation Plan*, and help shape Lancashire's next wave of investment programmes.

**The Lancashire Innovation Board**  
July 2020 saw the inaugural meeting of the LEP's Innovation Board. Led by Professor Graham Baldwin, Vice Chancellor of UCLan, the Board's private and public sector members include representatives from Innovate UK, Westinghouse, Victrex, Miralis and Lancaster University.

The Board, which supports partners and stakeholders in the delivery of the *Innovation Plan*, has already helped to deliver several initiatives which have supported Lancashire's innovation ecosystem.

These include a month-long Innovation Festival, hosted online last October, and the scoping of a new Lancashire Innovation Observatory.

**Investing in assets to drive growth**  
This year has seen the LEP continue to support several key projects which will facilitate growth within the innovation and technology space:

## The Advanced Manufacturing Research Centre North West

In October 2020, work commenced on the AMRC North West facility - which received £20m LEP *Growth Deal* funding - at the Samlesbury Enterprise Zone.

Once operational, it will help Lancashire manufacturers embrace new, transformational technologies. For SMEs in particular, it aims to demystify and de-risk the process of Industry 4.0 adoption and investment.

AMRC North West has also been instrumental in setting up the *5G Factory of the Future* with partners - an open access test bed which will enhance Lancashire's reputation as a centre of Industrial Digital Technologies. With interim facilities at UCLan in Preston, the AMRC North West team has already worked with over a hundred Lancashire SMEs.

## Lancaster's Health Innovation Campus

Opened in August 2020, the £41m Lancaster Health Innovation Campus (LHIC) at Lancaster University is focused on the development of health-related services and technologies.

A collaborative space - which brings both businesses and health providers together - the LHIC's mission is to take a solution-led, place-based approach to addressing global health issues.

The facility, which was backed by £17m of LEP *Growth Deal* funding, will also

create new high-value jobs and help Lancashire SMEs to develop new, innovative products and services which can be commercialised globally.

## UCLan's Engineering Innovation Centre

Supported by £10.5m of LEP *Growth Deal* funding, UCLan's £35m Engineering Innovation Centre (EIC) in Preston is another major asset which will strengthen Lancashire's position as a world leader in engineering and design.

Designed to provide Lancashire's next generation of technologists and engineers with real-world experience on live industrial projects, the EIC aims to improve productivity across the North West. Through engagement with business, it will further help support the innovation needs of 1,300 SMEs across Lancashire.

## Collaborations to accelerate innovation

The LEP understands that collaboration is central to unlocking economic growth and has facilitated several major innovation-led partner projects over the last year.

These include ECO-I North West, a £14m Clean Tech programme which will help to position the county - and the North West - as a centre of low carbon and sustainable innovation.

Working with over 350 businesses to support the research and development of sustainable and Net Zero technologies,

the ECO-I programme is being led by Lancaster University in partnership with UCLan, Liverpool University, Liverpool John Moores University, Manchester Metropolitan University, and the University of Cumbria.

Another example of collaboration is the Advanced Manufacturing Capital for Skills Development and Employer Engagement project (ACaDEmE).

Supported via LEP *Growth Deal* funding, ACaDEmE is a partnership between BAE Systems, Lancaster University, and local SMEs, which enables training for students, apprentices and young people in disciplines such as additive manufacturing and Virtual Reality.

Lancashire has also been forging links outside the county to share best practice and drive new investment.

We have led a multi-LEP programme, sponsored by BEIS, which has engaged with The Massachusetts Institute of Technology's (MIT) *Regional Entrepreneurship Acceleration Programme* (REAP). REAP is a global initiative designed to help regions accelerate economic growth through innovation-driven entrepreneurship.

We have also worked with Innovate UK and the North West Business Leadership Team on a place-based R&D exemplar focused on the *Tech Lancaster Cluster* and our growing electronics capability. Other partnership initiatives include

regional projects with The Engineering and Physical Sciences Research Council, the Science and Technology Facilities Council, and the NP11 group of Northern Local Enterprise Partnerships.



AMRC North West, Samlesbury Enterprise Zone



Health Innovation Campus, Lancaster University

# Skills & Training



Education Secretary Gavin Williamson at BAE Systems with Shuttleworth College students

£10m

Additional funding secured to boost skills and training during the pandemic

900

Participants in the Lancashire-led *Digital Skills Bootcamp* pilot

850

Young people who took part in Lancashire's first *Teen Tech Festival*

+40%

Increase in employers supporting *The Lancashire Skills Pledge*

**Targeted skills interventions**  
The skills of Lancashire's people correlate with employability and earning potential as well as business productivity.

But whilst there has been an increase in the number of people qualified to Level 4 and above, there continues to be a lag in comparison to the national average.

The Lancashire Skills and Employment Hub continues to make great strides towards closing this gap and takes a multi-partner approach in everything it does. This is to ensure its interventions and investments are targeted and effective; addressing the needs of employers, employees, providers, and learners.

Further, through a £40m *Growth Deal* investment, over 20 skills capital projects have been completed with 11,853 learners achieving a qualification and 3,276 Apprenticeships created.

**T-Levels and our Technical Education Vision**

This year there has continued to be a focus on driving the *Lancashire Technical Education Vision* with partners. This aims to enable a balance of academic and technical routes to help close the gap and adopt new approaches to enhancing skills through, for example, T Levels, and the testing of *Digital Bootcamps*. Funding from *The Gatsby Foundation* was secured to support the implementation of the programme.

A key element has been facilitating collaborative work between colleges and employers to prepare for T Levels.

Four Lancashire colleges commenced delivery of these new technical qualifications across Digital, Education & Childcare, and Construction, in September. In response, Continuing Professional Development sessions for Careers, Advice and Guidance professionals have been undertaken to ensure young people are fully informed of the technical education routes on offer, with T Levels being embedded into the *Careers Hub*.

A collaborative bid across *The Lancashire College Network* with Lancashire's three universities has also been submitted for an *Institute of Technology* which will provide pathways to Higher Level Technical Qualifications. It will further support the retraining and reskilling of adults in the workplace, aligning with industrial digitisation and the LEP's growth priorities.

**Supporting Apprenticeships**  
It has been a challenging period for the provision of Apprenticeships. The impact of the pandemic on business recruitment has had a direct impact on Apprenticeship starts, while interruptions in Apprenticeship learning due to lockdowns put pressure on training providers.

We have worked closely with the *Lancashire Work Based Learning*

*Executive Forum* to understand the issues being faced, provided evidence to DfE, and lobbied to gain grant incentives and financial flexibilities for both employers and providers.

**Boosting Lancashire's digital skills**  
*The Lancashire Digital Skills Partnership*, supported by the Department of Digital, Culture, Media and Sport (DCMS) was launched in April 2018 to address digital skills and employment needs in Lancashire. The partnership has now grown to over 200 members and has been driving several activities.

A major report and research piece, *The Lancashire Digital Skills Landscape* was published in spring 2020. This had enabled the *Digital Skills Partnership* Steering Group to identify key issues and priorities. These include skills shortage areas, and a need to address gender inequality in Lancashire's digital workforce.

In response to the pandemic, the *Digital Skills Partnership* has also worked with the *Clockwork City* initiative to enable independent retailers and entrepreneurs across Lancashire to develop their digital marketing skills, improve technical processes, develop more online services, and stay cyber-safe.

In early 2021, Lancashire hosted its first *Teen Tech Festival* in partnership with Maggie Philbin's Teen Tech charity.

Involving many local partners - including the *Careers Hub*, Future U, Stem First,

Creative Lancashire, Digital Lancashire, Lancashire Teaching Hospitals Trust and UCLan - over 850 young people engaged in interactive workshops and tasks which were designed to boost interest in STEM-related skills and careers.

**Shaping the national skills agenda**  
Other activities in the digital skills space have included working in partnership with DCMS and Greater Manchester Combined Authority to engage with over 900 Lancashire and Greater Manchester residents on a DCMS-funded *Fast Track Digital Workforce* programme. This was rapidly followed by a Department for Education (DfE) *Digital Skills Bootcamp* pilot.

The learnings and provision developed through both programmes has enabled employers and providers to collaborate and develop responsive and intensive skills programmes. This will enable us to fast-track people into digital employment in skills shortage areas such as electronics, programming, cyber security, digital marketing, and DevOps.

These test and learn pilots have also informed national policy and have helped shape the *National Skills Fund*. In addition, *Digital and Technical Skills Bootcamps* - based on our pilot - began rolling out nationally in April.

**Continued support for employers and employees**

Projects and initiatives which support and engage with employers and

employees continued to make a positive impact on economic performance despite the pandemic.

Training and technical education programmes were successfully delivered through projects supported by the *European Social Fund* (ESF).

These included work-based schemes, which boosted the skills of both employees and employers, and SME-specific provision. Over 3,000 employers and more than 15,300 employees have benefitted from these interventions.

Additional funding of approximately £10m was also secured through the *National Reserve Fund* to boost funds available for project calls locally.

**Going remote**

Many providers migrated to online provision, ensuring a quality service was maintained throughout the lockdown. *Lancashire's Adult and Employer Skills Forums*, which supports the implementation of the *Lancashire Skills Escalator*, also continued to meet virtually.

A virtual event was hosted in December to celebrate the continuing success of the *Lancashire Skills Pledge*. The number of businesses signed-up to the scheme rose by over 40% this year, with multiple pledges being delivered by each employer.

There are now over 80 organisations, from both the private and public sector,

supporting the initiative. By signing up, they are committed to inspiring, developing and employing Lancashire people in variety of different ways.



Advanced Engineering and Manufacturing Innovation Centre, Nelson & Colne College



Lancashire's TeenTech Festival

# Infrastructure



Preston Western Distributor construction, Lea Viaduct



**Unlocking more regional investment**  
Supported by *Growth Deal* funding and delivered by partners, major infrastructure and connectivity projects, which will unlock significant amounts of economic growth and create new jobs, have progressed this year:

**The Preston Western Distributor**  
This £189m transport project, currently on site, is scheduled to open early 2023. Once complete it will deliver a major new road linking Preston and southern Fylde to the M55.

The scheme - being delivered by Lancashire County Council - will open up new business opportunities, improve access to existing and new housing sites, provide new transportation options, and help reduce congestion on other parts of the network.

It further has the potential to generate increased business activity through greater connectivity to the west coast and the wider national motorway network.

**Blackburn and Darwen Pennine Gateways**  
Complementing existing *Growth Deal* investments in Darwen, the £18m *Blackburn and Darwen Pennine Gateways* project, due to complete 2021, will deliver key transport infrastructure improvements at three main gateways into Blackburn from the M65 at Junctions 4, 5 and 6.

The scheme - being delivered in partnership with Blackburn with Darwen Council - is currently on site and will unlock new housing and employment growth in one of England's most deprived areas. The project also supports the growth plans of the Royal Blackburn Hospital, and its intention to become a university teaching centre.

**East Lancashire Cycle Way Network**  
This £6m programme, delivered in partnership with Lancashire County Council and Blackburn with Darwen Council, is due for completion in 2021. Featuring 118km of new and improved cycle ways, the schemes have been designed to bridge gaps in existing networks and create high-quality, end-to-end cycle networks.

As well as commuting, the routes will act as multi-user 'greenways'; helping to facilitate new leisure, health and tourism opportunities. All of the projects have been co-produced in partnership with the local community, and are aligned to national and regional active travel strategies.

**Lancashire's Enterprise Zones**  
The LEP has invested circa £30m to support development of essential infrastructure and development works at Blackpool Enterprise Zone, Hillhouse Enterprise Zone, and Samesbury Enterprise Zone. These works, which are also funded by business rates and public and private sector contributions, are needed to deliver critical infrastructure

and developments to accelerate growth. Recent Enterprise Zone developments include:

**Blackpool Enterprise Zone**  
Since gaining Enterprise Zone status in 2016, Blackpool Council has continued to strategically target investments at the Blackpool EZ.

In addition to the creation of circa 26,000sqm of employment floorspace, hosting 114 businesses and creating 1,600 jobs, new developments include the delivery of a 40,000 sq. ft HQ for Multi-Ply Components.

Works on the new sports complex are also underway in anticipation of hosting Blackpool's own *European Youth Football Championships*.

**Samesbury Enterprise Zone**  
LEP investment has supported site-wide utilities and infrastructure at the Samesbury EZ which will provide the additional power needed to allow the AMRC North West supply chain, and complimentary developments, to be accommodated.

Currently on site and due to completed in Autumn 2021, the £20m AMRC North West will be a new regional hub for the national *Advanced Manufacturing Research Centre*.

The development will be key with

regards to lifting productivity and growth within advanced manufacturing - a priority sector for Lancashire - and will help create more opportunities for local firms to compete globally.

**Hillhouse Enterprise Zone**  
In 2020, investment has been provided from the LEP's *Getting Building Fund* which will provide new essential infrastructure and development works to enable the extension of the Hillhouse Business Park into neighbouring Enterprise Zone land.

**Further capital investment secured in 2020/21**  
In August 2020, Lancashire LEP was successful in securing £34.1m from the government's *Getting Building Fund* programme to support projects which can provide an immediate response to the pandemic through the creation of jobs, skills and infrastructure.

The £34.1m has been allocated to ten projects across the county including major transport infrastructure, regeneration, housing and commercial schemes in Chorley, Burnley, Wyre, Fylde, Hyndburn, Blackpool and South Ribble.

**Investing in our people and communities**  
Social Value continues to be integrated into the commissioning and planning processes across the LEP's project and programme portfolio including the

*Getting Building Fund, Growth Deal Fund, City Deal and Boost*. The *Growth Deal* programme alone has generated £31.1m of Social Value to date.

An example of tangible, impactful Social Value delivery is the construction of the £35m Engineering Innovation Centre (EIC) at UCLan which has successfully generated social and community benefits throughout its construction phase.

Upon completion, the EIC had delivered a total of £5.9m of added Social Value including 82 full-time equivalent employment opportunities, 420 weeks of apprenticeship employment, and £3.5m of spend with local businesses.

Our Social Value interventions also bring many added value outputs, several which are aligned to the *Lancashire Skills and Employment Strategic Framework*. This framework uses the *National Themes Outcomes and Measures* methodology to embed Social Value within the procurement, monitoring and evaluation of projects.

The LEP's commitment to delivering Social Value, and creating more opportunities for all, will be enshrined in the LEP's new *Social Value Charter* for Lancashire which will be published this year.

Our investment in infrastructure also helps significantly improve people's lives through new employment opportunities

and new housing. In recent years, LEP-supported infrastructure projects have helped to create over 17,500 jobs and over 19,000 homes across the county.



Improvement works, Skelmersdale town centre



Samesbury Enterprise Zone

# Beyond Lancashire



Communities of people and business don't limit the way they live, work and operate within defined geographical boundaries. Therefore the LEP collaborates with others regionally, across the North, and nationally.



Boris Johnson, Convention of the North conference, Rotherham

### Extending our influence

Lancashire has a long history of looking beyond its boundaries and working constructively with others to drive growth and increase regional prosperity.

Forging such relationships and partnerships also means we have the opportunity to influence decisions, shape policy, and lead initiatives, which bring benefits to the whole of the country.

### Working nationally

The LEP Network, comprised of all of England's 38 Local Enterprise Partnerships, champions the impact and value of LEPs in building local economic growth and prosperity across England.

It acts as the lead commentator and negotiator for LEPs at a national level with government, businesses, academia, think tanks, and other key audiences.

It is also a central source of information and data on all LEP activity on a regional and national basis.

The LEP Network Board meets throughout the year and sets the overall policy direction and strategy for LEPs. In 2020/21, key policy developments included:

- Skills Recovery Action Plan
- LEP '5 Point Recovery Plan' drafting and communications
- Post-Pandemic Economic Response
- Levelling Up Enquiry
- Covid Recovery Commission
- Building the case for an Enterprise Zone refresh
- Secured Apprenticeship providing funding with DfE
- Growth Hubs peer-to-peer initiative
- Business Support Review
- Active participation in the Industrial Strategy Council (LISs & Devolution)
- LEP Capability and Capacity review

In addition to contributing to these and other workstreams, the Lancashire LEP has participated in several LEP Network Ministerial roundtables, lobbying for additional Covid funds for Growth Hubs and Peer-to-Peer Reviews.

North West LEPs also meet on a regular basis to pursue intra-regional collaborations where potential synergies for collaboration are greatest.

*More details on the work of the LEP Network can be found at [www.lepnetwork.net](http://www.lepnetwork.net)*

### Working across the North

The LEP is part of the *Northern*

*Powerhouse 11* (NP11), a pan-Northern collaboration comprised of Chairs and Chief Executives from all of the Northern LEPs.

NP11 was brought together in July 2018 by government to drive the transformation of the North into a true economic powerhouse, underpinned by an unrivalled quality of life which brings prosperity and better lives to everyone residing and working in the North, while also competing on a global platform.

NP11 seeks to create partnerships, collaborations, and the sharing of resources - especially when the potential benefits and synergies of acting together are greater in terms of ambition and the scale of impact.

It also identifies practical activities, that will add strategic value and help unlock more of the North's economic potential, which are best facilitated at a pan-regional level.

Much of this is achieved by providing thought leadership and strategic thinking linked to areas of common interest which unite both business and civic leaders in the North.

NP11 is also proactive in facilitating

collaborative, delivery-focused partnerships between:

- Government and the public sector, including advice at strategic level and via formal consultations; working across departments, in particular those focused on growth policy and funding; and engaging Members of Parliament
- The private sector, through mobilising the wider business community
- Strategic Northern partners such as the *Convention for the North*, the *Northern Powerhouse Partnership*, and *Transport for the North*

To best fulfil this purpose, NP11 focuses on maximising the North's business growth, productivity, attractiveness to businesses and individuals, and international competitiveness.

In particular, it builds on the North's Prime Capabilities (as identified in the *Northern Powerhouse Independent Economic Review*) as areas of agreed pan-Northern strength and opportunity.

The Lancashire LEP is an active participant of the NP11.

In the last year we have been closely involved in developing a number of key NP11 agendas including Net Zero, clean growth, trade and inward investment, innovation, and skills.

Our interim Chair, David Taylor, continues to Co-Chair NP11's Innovation Board.

*More details on the work of the NP11 can be found at [www.np11.org.uk](http://www.np11.org.uk)*

**“Lancashire has a long history of looking beyond its boundaries and working constructively with others to drive growth and increase prosperity”**

### Working regionally

The LEP works very closely with its North West neighbours and has strong links with the Local Enterprise Partnerships serving Greater Manchester, Cheshire & Warrington, Liverpool City Region and Cumbria.

In addition, we have also collaborated at a regional level to deliver the government-backed £20m *Made Smarter* advanced manufacturing support programme in the North West.

The success of the initial regional pilot, which helps SMEs adopt more Industry 4.0 technologies, has seen the scheme extended, with plans to launch the *Made Smarter* initiative into other UK regions this year.

We further support and enable collaborations between our universities and others across the North West.

This includes *The Cyber Foundry*, a partnership between Lancaster University, The University of Manchester, University of Salford and Manchester Metropolitan University, which helps North West SMEs with business growth, stability and security.

# Looking Forward



Looking towards Pendle Hill from Colne

### The current economic landscape

Lancashire's economic journey during Covid, and where we are now, is broadly similar to that experienced by our North West neighbours. It has also mirrored the national pattern of both growth and contraction during the different stages of the pandemic.

Our economy, like that of many other regions, will bear the scars for some considerable time. Our priority is to therefore minimise that scarring by stimulating productivity and doing all we can to drive growth.

It's also clear that Lancashire's economy faces challenges which existed before the pandemic, and some which have been accelerated and exacerbated by it. But by knowing what those the challenges are we can take proactive and mitigating action - both in the short and long term - to address them.

### The acceleration of change

In 2021, the Lancashire Enterprise Partnership will celebrate its tenth anniversary. However, as we enter our second decade, the combination of Covid-19 and Brexit means many things we used to assume, understand and anticipate have changed significantly.

*Forecasting* has been partly replaced by *nowcasting*, and fully understanding what the 'new normal' might mean, both economically and socially, remains elusive.

What we do know is the last twelve months has seen some of our businesses digging deep to fight for survival while others have experienced some of their busiest periods of trading ever.

As working went remote - and shopping, entertainment, education, and even medical care, went online - companies scrambled to deploy systems and services to accommodate these sudden changes of behaviour.

Some firms embraced change enthusiastically; compressing several years' worth of innovation into just one.

Others were forced to modernise; adopting digital and automation technologies which had been previously resisted.

In either case, the result has been the same; the acceleration of trends - many of which were already underway before the pandemic - that are now here to stay.

### Ensuring a fair and equal future

It is anticipated that many of these changes will deliver big benefits in terms of higher productivity, efficiency, and innovation. But they could also lead to an uneven economic recovery, with rising inequality among workers, contrasting outcomes for consumers (depending on their age and income levels), and a widening gulf between outperforming companies and the rest.

In addition, places which are less affluent, less attractive to inward investment, and less able to respond to these new challenges, may struggle to compete with areas that are better resourced.

Business leaders and policy makers, and organisations like ourselves, therefore, need to ensure that interventions and strategies mitigate the risk of a divided society as we look to recover from the pandemic.

Some trends we can expect to see:

- Virtual healthcare, online shopping and home-nesting trends are likely to continue to accelerate, while many 'out of home' activities will gradually resume to pre-pandemic levels
- A higher employment churn rate - with more people switching jobs and changing careers than before
- Increasing opportunities within higher skilled occupations, including STEM professions and the green economy
- A potential incremental rise in productivity over the next five years in sectors where innovation and technology adaption has accelerated the most (including

healthcare, construction, ICT, retail, and pharma)

- Resilience remaining at the top of the strategic agenda for businesses across a wide range of commercial and operational activities
- More collaboration and mutual support within commercial eco-systems to ensure all businesses thrive
- Adoption of more hybrid workplans for employees who can (and want to) work remotely
- More pressure on less affluent regions - with a real risk that 'levelling up' interventions will be uneven

### Our future vision for Lancashire

In response to the opportunities and challenges which these and other post-pandemic changes present, the LEP is developing a horizon-scanning theme throughout all its work.

This will help reassess and identify those sectors - both established and emerging - where Lancashire can genuinely compete and lead nationally and internationally.

It will also identify the requisite technology capability and investment roadmaps - and the skills and experience needed within the workforce - to fulfil our ambitions.

Whilst we await government's prescription for a new *Growth Plan* for the county it is likely that it will be shaped by a set of underpinning principles:

- Investing in our people to train, reskill and upskill, in readiness for today's business need and tomorrow's emerging sectors
- Enabling a surge of entrepreneurship to create more start-ups and scale-up businesses
- Diffusing technology to companies of all sizes to innovate, diversify and

increase productivity

- An uncompromising focus on defining strategy and implementation to achieve Net Zero
- Ensuring tangible and impactful Social Value outcomes are embedded in all our activities

We believe these principles will help to create a virtuous cycle of job growth, rising consumption, increased productivity, and inclusive economic prosperity for Lancashire.

**“Many things we used to assume, understand and anticipate have changed significantly”**

In addition to developing a new, long-term plan in response to the seismic shifts triggered by the pandemic, and the evolving impact of Brexit, the LEP is also committed to:

- Supporting businesses now as they recover and return to growth, ensuring the commercial environment is responsive to meet the demand and pace of change for a resilient and sustained bounce-back
- Ensuring partnership remains core to our ethos, as will a relentless focus on achieving strategic leadership and impact for Lancashire
- Continuing to work with the Local Leaders of Lancashire to support the *Greater Lancashire Plan*, in particular the *Independent Economic Review and Environment Commission*
- Undertaking any organisational changes required to improve our performance in response to government's forthcoming *National Review* of all Local Enterprise Partnerships

# Governance

## Accountability Requirements

LEPs are entrusted with very significant sums of public funds for capital growth investment, business support, innovation and skills, and employment initiatives.

LEPs are required to take an evidenced-led approach to setting the strategic economic priorities for their area and to ensure effective deployment of any resources secured.

## Best Practice

The reality of a best functioning LEP is one that enables a partnership between the public and private sector, with clarity of role and responsibility and an ability to positively influence government to bring greater resources into an area.

It is a model whereby beneficial outcomes are achieved through its growth objectives which support the economic prosperity of the whole place.

Achieving this requires a focus on outcomes, a common purpose, and collaboration between all involved. In essence:

- An active, private sector-led Board setting economic growth priorities and advocacy work of its area
- Private sector sitting alongside public sector leaders developing a common vision
- The Board draws on and represents the diverse communities of its economies
- The Board recognised as and supported to be independent, with an independent secretariat
- Transparency in how resources are used and how projects are delivered
- A role distinct from that of individual local government organisations
- Active participation in robust audit and scrutiny functions of local government

## National Assurance Framework

The *National Local Growth Assurance Framework* sets out government

guidance for the LEP to develop its own *Local Assurance Framework*. This is designed to meet local growth priorities, providing a common understanding of the assurance required for local growth funding. It describes the close working of the public and private sectors and seeks to streamline processes and governance for the appropriate use of public money.

It also builds on previous work to strengthen government's assurance of LEPs and addresses the recommendations of the Non-Executive Director Review into Local Enterprise Partnership *Governance and Transparency* (October 2017) and the National Review into LEPs, *Strengthened Local Enterprise Partnerships* (July 2018).

It explains how places should appraise, monitor and evaluate schemes to achieve value for money. This *Framework* provides the departments, government, stakeholders and the public the necessary assurances that LEPs have the policies and processes in place to ensure the robust stewardship of public funds.

## Local Assurance Framework

The LEP's *Local Assurance Framework* is reviewed and updated on an annual basis reflecting any new requirements from government and recommendations made by the members of the Company, the Board, and the Executive.

It describes the formal decision-making structures and processes of the Board and its committees, responsibilities and accountabilities of the S151 Officer and Accountable body, and Terms of Reference for its committees.

It also outlines protocols and policies relating to Code of Conduct, Observer's Protocol, Director's Interests, Gifts and Hospitality, Complaints and Whistleblowing, Communications, the Accountable Body Statement and Conflicts of Interest, and arrangements to ensure value for money.

Lancashire LEP is a company limited by guarantee and must also have due regard for the relevant legislation for this form of incorporation.

## The LEP Committee Structure (right)

The committees are advisory and make recommendations to the Board for approval, unless the Board delegates its authority.

The LEP publishes and makes available to the public all its papers (agendas and minutes) with the exception of papers which are deemed as confidential (where an exemption applies as defined by the Local Government Act 1972 and following the application of the public interest test).



## Nolan Principles

The *Seven Principles of Public Life* (the Nolan Principles) underpin the National and Local Frameworks and LEPs should comply with the spirit of these principles. This is to ensure the LEP, and its public and private Directors and staff are upholding the highest standards of conduct and operating according to these principles, as well as ensuring robust stewardship of the resources it has at its disposal.

## Annual Local Enterprise Partnership Audit

An *Annual Performance Review* (APR) is carried out by the Communities and Local Growth Unit Area Team and the Department's Assurance Team. Through this process, LEPs are monitored and regulated, ensuring compliance with government requirements, as part of a moderation/regulation role.

Although the APR in January 2020 recognised that delivery is 'good', the LEP was deemed to 'require improvement' in respect of governance, and 'not having met requirements' for Strategic Impact. An Improvement Plan was agreed, and a mid-term review confirmed that significant progress had been made in initiating the changes which were required.

The findings of the *Annual Performance Review of 2021* in respect of Strategic Impact and Delivery confirm the LEP has met its requirements. In respect of Governance, there is action needed in four specified areas, all of which are being addressed.

## Annual General Meeting

The LEP has three members - Lancashire County Council, Blackpool Council and Blackburn with Darwen Council - who joined as the third member

this financial year. Formal company meetings are held every quarter.

## Accountable Body and S151 Role

In line with the government's *LEP National Assurance Framework*, a local authority (Lancashire County Council) fulfils the requirements of a section 151 Officer and Accountable Body to oversee the proper administration of financial affairs.

The Accountable Body provides an Annual Statement to Government to confirm the LEP's compliance with the *National Assurance Framework*.

The Section 151 Officer provides a report to the *Annual Performance Review* on their work for the LEP over the last twelve months, with a specific requirement to identify any issues of concern on governance and transparency. No issues of concern were raised in 2020/21.

While the role of the Section 151 officer is critical in maintaining good governance and standards, the LEP does not rely on this alone.

The establishment of an embedded culture of transparency and accountability requires direct and proactive leadership from the LEP Chair and CEO to ensure adherence to good governance and clarity on standards.

Chair and CEO also provide a formal *Assurance Statement* on the status of governance and transparency as part of its Annual Review, which include details of its overview and scrutiny function.

The Accountable Body carries out the following functions:

- A finance function: involving holding

public funds paid by government on behalf of the LEP

- An oversight function: ensuring public funds are handled in line with the relevant procedures and grant conditions and that funds are used with propriety, regularity and deliver value for money
- An advice function and support function providing technical advice on the relevant law, discussing risks associated with pursuing a particular course of action for the LEP Board to consider

An annual audit plan is agreed with the Accountable Body.

## Joint Scrutiny Committee

The *National Assurance Framework* states that LEPs should agree with their Accountable Body the appropriate scrutiny arrangements to ensure that decisions taken by the LEP Board have the necessary independent and external scrutiny in place.

A Joint Scrutiny Committee was created this year which comprised of all local authorities from the LEP area who meet to scrutinise and examine LEP decisions.

These arrangements are clearly set out in the *LEP Assurance Framework*, and on the LEP website, and are examined as part of an *Annual Performance Review*.

LEP Scrutiny provides locally elected members the opportunity to scrutinise the work of LEPs on behalf of constituents. The principal purpose of Scrutiny is to influence the policies and decisions made in relation to the delivery of services undertaken by the LEP using public funding.

To be effective, it should be seen in the role of a 'critical friend' to the LEP, and to identify areas where decisions could be improved and how any mistakes could be prevented.

The Joint Scrutiny Committee held its first meeting in March 2021, with a second meeting scheduled for September 2021.

## Peer to Review

The LEP Network, which is comprised of all 38 LEPs in England, implemented a new *Programme of Peer to Peer Review* and Lancashire was partnered with Solent LEP in 2020-21. Relationships across all levels of both organisations are actively encouraged and each party shares best practice. The peer-to-peer approach also provides constructive challenges to the activities and performance of every LEP in the country.

## Audit, Evaluation and Monitoring

Each of the LEP's programmes - including *Growth Deal, Boost, Getting Building Fund, Growing Places, Skills and Employment* and *Enterprise Zones* - are obliged to comply with the conditions of funding which are monitored and reported to government at regular intervals. In addition, there may also be independent evaluations and audits of the programmes carried out at specific milestones of delivery.

All LEP Board and Sub-Committee meeting Agendas and Minutes, Annual Report, Annual Business Plan, Statement of Accounts, Statements of Assurance, Risk Register, Local Assurance Framework, LEP Achievements, Strategies and Policies, and our Register of Interests, are published and available on the LEP website [www.lancashirelep.co.uk](http://www.lancashirelep.co.uk)

# Annual Accounts

## 2020-2021

### Operating budget

	2020-2021	2021-2022	2022-2023	2023-2024
<b>Income</b>				
Grants	750,000	750,000	750,000	750,000
Interest	377,265	232,000	205,000	205,000
BEIS transition grant	87,500			
	<u>1,214,765</u>	<u>982,000</u>	<u>955,000</u>	<u>955,000</u>
<b>Operational expenditure</b>				
Staffing	569,583	761,911	683,022	577,634
Running costs	46,848	60,200	60,200	60,200
Marketing and Comms	116,078	130,000	110,000	90,000
Professional and consultancy fees	277,858	93,000	68,000	53,000
	<u>1,010,367</u>	<u>1,045,111</u>	<u>921,222</u>	<u>780,834</u>
<b>Net operating surplus/(deficit)</b>	<u>204,393</u>	<u>-63,111</u>	<u>33,778</u>	<u>174,166</u>
<b>Project and programme expenditure</b>				
Project support	281,071	391,000	200,000	200,000
Strategic Framework	99,000	121,000		
Restructure	122,428	130,000		
	<u>502,499</u>	<u>642,000</u>	<u>200,000</u>	<u>200,000</u>
<b>Net P &amp; L surplus/(deficit)</b>	<u><b>-298,101</b></u>	<u><b>-705,111</b></u>	<u><b>-166,222</b></u>	<u><b>-25,834</b></u>
Reserves b/f	2,473,009	2,174,908	1,469,797	1,303,575
Contribution to/(from) reserves	-298,101	-705,111	-166,222	-25,834
<b>Reserves c/f</b>	<u><b>2,174,908</b></u>	<u><b>1,469,797</b></u>	<u><b>1,303,575</b></u>	<u><b>1,277,741</b></u>

# Closing Comments

We asked some of the LEP's Directors to reflect on a year of disruption and tough decisions. Here's what they said:



"The last 12 months have been extremely challenging across all economic sectors, with both the public and private sectors having to adapt and respond as best they could. What has been brilliant is how this response has manifested itself, with the public and private sectors working together to develop and deliver outcomes. The real essence of what the Lancashire LEP is all about.

"I would also highlight the progress which the Lancashire Enterprise Zones have made, using time and resources to enable vital infrastructure to be developed, and making the foundations to enable new businesses to develop on these important sites. This is a credit to the teams driving this agenda."

Mark Rawstron



"This has been a transitional year for the LEP. The work of the Board and the Executive throughout the pandemic have made a significant, positive difference to the LEP's levels of strategic influence.

"Engagement has increased with local MPs, local authorities, businesses and other stakeholders, and it has a reinvigorated strategic plan to implement which will contribute massively to Lancashire's economic and social prosperity."

Andrew Pettinger



"This year has been a challenging year for many industries, clearly it was one of unprecedented change where excellent management skills were needed to negotiate all the economic and social shocks. The main priority has always been the nation's health but the economic fallout from that has been very significant.

"However, from the very start of the crisis I believe that the LEP has led from the front and helped a great many businesses through schemes administered by *Boost*. I am sure that a great deal will be learned from the experience, but I hope that we will never need to go through it again."

Tony Attard OBE DL



"The impact of Covid on young people has been disproportionately felt by those most disadvantaged part of the county. That deficit will be felt in Lancashire for a generation unless we can build capacity to redress the balance.

"It's important now that we build strength, diversity and resilience in our skills capacity across the generations, capitalising on the levelling up, build back better and green recovery agendas."

Amanda Melton CBE



"A year like no other. A year where, despite our difficulties, we have seen the very best of both the public and private sectors. The public sector has been consumed by the pandemic, yet has stayed focused on keeping us safe and protecting the vulnerable. Government, and organisations like the LEP, have also ensured business has had support, while companies themselves have done everything in their power to refocus, remodel, or just keep going.

"It's all been a timely reminder of our inter-dependencies, and as a LEP Board member I'm proud of the energy and effort which gone into our work. We now need to ensure that we move forward in the most effective way possible to support what will be a tough recovery for the county"

Alyson Barnes



"As a LEP Director I feel extremely proud to have been able to support activities locally and regionally which have helped protect our communities and the economy through the pandemic.

"Specifically being able to play an active role with our Enterprise Zone, manufacturing, and innovation agendas, feels a very privileged position. Hopefully the industrial and international insights that I have been able to bring to the LEP Board will also help contribute to great results."

David Holmes OBE



Lancashire  
Enterprise Partnership

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