



Lancashire
Enterprise Partnership

Annual Report

21-22





The Lancashire Enterprise Partnership Annual Report 2021-22



Looking towards Pendle Hill from Colne

Contents:

- 3**
The LEP Board
- 4-5**
Chair's Introduction
- 6-7**
Chief Executive's Overview
- 8-9**
Economic Review
- 10-11**
Economic Strategy
- 12-13**
Partnerships
- 14-15**
Priority Sectors
- 16-17**
Innovation & Emerging Sectors
- 18-19**
Skills & Employment
- 20-21**
Business Support
- 22-23**
Placemaking & Infrastructure
- 24-25**
Governance
- 26**
Operating Budget
- 27**
About Lancashire



The LEP Board, April 2021-March 2022



Cllr Stephen Atkinson
Leader, Ribble Valley Borough Council



Miranda Barker OBE
Chief Executive, East Lancashire Chamber of Commerce



Cllr Alyson Barnes
Leader, Rossendale Borough Council



Debbie Francis OBE
Chair of the LEP



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



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



Ann Jordan MBE DL
Founder, Benetimo PR



Kam Kothia OBE DL
Chief Executive, Time2Technology



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



Andrew Pettinger
Partner, Addleshaw Goddard LLP



Mark Rawstron
Director, Chrysalis General Partner Board



Cllr Aidy Riggott
Cabinet Member for Economic Development & Growth, Lancashire County Council



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
Pro-Vice Chancellor and Chair, University of Central Lancashire
(resigned Oct '21)



Cllr Ivan Taylor
Deputy Leader, Blackpool Council



Annette Weekes MBE
Managing Director, PDS CNC Engineering Ltd



Claire Whelan
Group Managing Director, Ansuka Group





Chair's Introduction



The last 12 months has seen Lancashire slowly but surely make positive progress as it navigates the effects of the pandemic.

And while from there are clearly many significant challenges still ahead - from Brexit red tape and rising inflation to the war in Ukraine and the climate emergency - I feel there are several good reasons for our region to look to the future with a degree of cautious optimism.

One of these is the county starting to see the tangible benefits of many of our major strategic investments within the innovation space.

These have included the fantastic AMRC North West facility in Samlesbury, the Health Innovation Campus at Lancaster University, and the RedCAT alternative technology hub in East Lancashire, which all became fully operational this year.

In addition, we've seen UCLan open a centre dedicated to drone and future flight research, Westinghouse opening its

Clean Energy Technology Park, and the establishment of a dynamic cluster of specialist electech businesses on the Fylde coast.

And while these ventures are independent of each other, and all have diverse types of customers, they are all now feeding into Lancashire's growing innovation ecosystem; adding their expertise and skills to the deep pool of transferrable knowledge already being generated by our advanced manufacturing, telecoms, energy and agricultural sectors (to name but a few).

This ecosystem, which has been strategically nurtured and funded via the LEP and our network of partners, is also driving a culture of collaboration between the private and public sector at a level which Lancashire has never experienced before.

Our collaborative approach has seen LEP supported agencies and programmes, such as the Skills and Employment Hub, Boost, the Innovation Board, and our six Sector Groups, working even more closely with large employers, SMEs, education providers, local authorities, national government agencies, and many others. This ensures our investment strategies and priorities are targeted, aligned and responsive to the needs of business.

This facilitating role, helping to drive economic growth and encouraging more commercial innovation, will be reinforced later this year with the roll-out of our *Digital Economy Strategy*, our *Internationalisation Strategy*, and several new sector-specific growth plans.

This joined-up, partnership-led approach, and our fast-growing, integrated and cross-discipline ecosystem, has also

“The LEP will work closely with all local stakeholders and partners to support the shaping and development of Lancashire 2050, the blueprint for an anticipated regional devolution deal for the county.”

been cited as one of the key reasons we were chosen as the location for the new National Cyber Force HQ.

Set to be located in Samlesbury, this multi-billion pound investment will not only create thousands of new high-skilled, high value jobs - both directly and across the supply chain - it could transform the county's economy for generations to come.

Another potentially transformational scheme, which the LEP has backed since it was first proposed in 2019, is Eden Project North.

And while we still face many funding hurdles to make the Eden North vision a reality, including a need for government to get fully behind the project, the collaborative approach we've taken to reach this stage has been an exemplar of partnership working.

This convening power of LEPs, and the ability to bring many different types of partners together to benefit the whole of the county, has been recognised by government in its recent LEP review, and again in the *Levelling Up White Paper*.

As a result, we have been tasked with the continued delivery of strategic services on behalf of government departments - such as BEIS, DfE and the DIT - as they pertain to Lancashire, and will continue to act as a facilitator of national policy on a regional basis.

In addition, the Department for Levelling Up, Housing and Communities has explicitly outlined the role it sees for LEPs as regions like ours move towards devolution.

This includes a need to provide a “strong, independent and diverse business voice” and using our commercial perspective to provide “checks and challenges” to future regional economic policy decisions.

The LEP will also work closely with all local stakeholders and partners to support the shaping and development of *Lancashire 2050*. This is the county's blueprint for an anticipated regional devolution deal.

Our role will include offering up evidence based and business-led solutions to stimulate strong, sustainable and inclusive economic growth.

As we move towards a more devolved and united Lancashire,

“The convening power of LEPs, and the ability to bring many different types of partners together to benefit the whole of the county, has been recognised by government in its recent LEP review, and in the Levelling Up White Paper.”

the LEP will further continue to set strategic direction and oversight of all LEP funded programmes and economic strategies, supported by our Sector Groups, committees and sub-groups.

As the *UK Shared Prosperity Fund* imminently replaces *European Structural Funds*, the LEP will also work with partners to offer continuation of vital business, skills and innovation services to industry and the community on a flexible basis.

In addition, the integration of the LEP's roles and functions - including acting as an internal business advisory board - will be negotiated as part of the new devolution arrangements.

I personally feel this clear mandate from government regarding the vital role the LEP is set to play in the future, especially as Lancashire's bold 2050 vision starts to be realised, is not only a testament to what we've achieved so far but - more importantly - what amazing things we will achieve by all working together going forward.

Finally, I would like to extend my thanks to the LEP Board for all of their support, and the time they give up voluntarily, to help us shape and deliver our economic vision for the county.

My thanks also goes to all of the LEP staff for their relentless hard work and commitment to our aims and objectives, and to all our advocates, champions and partners - both formal and informal - who work closely with us to make Lancashire a more positive, prosperous and fairer place for everyone.

Debbie Francis OBE

Chair of the Lancashire Enterprise Partnership



Chief Executive's Overview



A challenging road ahead

The past year has continued to be extraordinary. As we've gingerly emerged from the pandemic, we've seen rapidly rising costs across energy, food and other basic goods and services. The war in Eastern Europe has compounded these inflationary pressures, triggering huge increases in the cost and availability of many global commodities.

The impact has been severely felt by many businesses and sectors, both across Lancashire and nationally, with a drop in consumer spending adding more strain to the bottom line.

In parallel, employers are facing massive recruitment and staff retention issues, with workforce volatility stimulating wage demands. And while all of this is driving domestic inflation, the threat of a global recession continues to loom.

With no sign of stability on the horizon, very few of our businesses and communities remain unaffected by these significant economic and geopolitical challenges. This includes many of those sectors which were hardest hit by the pandemic, such as tourism and hospitality, civil aerospace, manufacturing, and retail.

And just as we thought they were on the tentative road to recovery, the costs of doing business are making a return to growth challenging.

The strains are also being felt across many of our public services. The Health and Social Care sector has been on the verge of breaking point for an unprecedented period of time, while the squeeze on the living standards of many within the poorest and most vulnerable sections of our society is immense.

This is the diverse, complex and volatile economic landscape which Lancashire faces going forward, and one where the skills and experience of the LEP Board - and its many key partners - will be vital to help navigate a productive, inclusive and sustainable way through it.

The future role of LEPs

The government recently concluded a national review of LEPs and published its *Levelling Up White Paper* (LUWP). At the heart of the LUWP was the decree *"By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement"*.

In Lancashire, Local Leaders have already confirmed their commitment to seek a devolution deal for the county. In this context, government has encouraged *"the integration of LEPs and their business boards into Mayoral Combined Authorities, the Greater London Authority and County Deals, where these exist"*.

In the meantime, however, government want LEPs such as Lancashire's to continue to *"play their vital role in supporting local businesses and the local economy"*. This includes continuing to use their convening power to bring together business, education and other local economic stakeholders.

Government has further stated that it wants to ensure businesses outside of devolution areas can still access the support, insights and representation which LEPs provide.

LEPs will also continue to deliver a number of key functions on behalf of government departments including Growth Hubs, international trade activity, skills and careers provision, and gathering and maintaining key economic data.

Further, in an area like Lancashire where no devolved institution exists yet, the government has also said they will support LEPs as they are currently constituted; by supporting them in their role as a strong, independent and diverse local business voice; and by supporting them in their capacity as a local strategic economic partner, and as a hub of regional business intelligence.

The LEP will also continue to monitor and support a wide range of projects and programmes funded by the *Growth Deal*, *Getting Building Fund* and *Growing Places Fund*. Many of these are already delivering strongly on intended outputs and impact, while the LEP's *Growing Places* loan scheme continues to be available to help unlock stalled developments.

Supporting Lancashire business

The LEP's business-led Sector Groups, which are focussed on Lancashire's key industries, have continued to develop their *Sector Plans*, identifying new commercial opportunities and developing strategies to mitigate anticipated challenges. This includes interventions and responses linked to the impact of the pandemic, Brexit, and climate change.

Supporting Lancashire businesses at a grass roots level has also continued, with Lancashire's Boost Growth Hub service continuing to deliver its full range of services through a blended approach of face to face and virtual support as we emerged from lockdown.

Helping assets like the AMRC North West, the Health Innovation Campus, and UCLan's Engineering Innovation Centre, get established are other ways in which we've supported businesses across the county - driving innovation, collaboration and diversification across multiple sectors.

Supporting skills and training

Skills and training have remained a core priority for the LEP this year, and I'm proud to announce that every secondary school, special school, alternative provider and college across Lancashire is now part of the Lancashire Careers Hub. As well as having 100% coverage of our Careers Hub service we also deliver excellence, and Lancashire is ranked as one of the highest performing regions in the UK for careers provision.

The county has also secured an *Institute of Technology*, a collaborative project which will not only facilitate the roll-out of the new T Levels, it will also provide pathways to other higher technical qualifications.

Another Lancashire success has been our Skills Bootcamps. Following trialling and testing with the DCMS in Lancashire and Greater Manchester, these are now rolling out across the country under DfE's *National Skills Fund*. Lancashire itself has awarded over £1.2m to invest in Skills Bootcamps across the county.

A partnership approach

As before, the LEP has continued to take a partnership approach in everything it does. This includes bringing together the private and public sectors, large employers and SMEs, universities and industry, skills providers and businesses, investors and policymakers - and many others - for the benefit of Lancashire.

As a result, the county is now quickly developing a dynamic and integrated commercial ecosystem, helping companies and entrepreneurs of all types make links with like-minded professionals, organisations and resources which can support and accelerate their growth ambitions.

"The county is developing a dynamic and integrated commercial ecosystem, helping companies and entrepreneurs of all types make links with professionals, organisations and resources which can accelerate their growth ambitions."

The National Cyber Force - a transformational opportunity

The government's decision to locate the National Cyber Force (NCF) in Samlesbury is testament to not only the talent, resources and assets which Lancashire has to offer, but also the convening and collaborative strength of the LEP. This once in a generation opportunity is expected to generate at least 2,000 new direct jobs in Lancashire, with many more set to be created in the supply chain.

The announcement is already creating a gravitational pull of businesses, organisations, and people, who want to proactively engage with the NCF. This in turn is stimulating conversations, forging partnerships, and sparking opportunities, which will drive innovation, grow the talent pool, and unlock further inward investment.

I'm personally proud to have been a driving force behind the partnership which convinced the NCF that we were the best location for them, and their decision has the potential to transform the economic performance of the county. It will also change external perceptions of Lancashire as a fantastic place to live, work, study and visit.

Attracting, securing and enabling this type of transformational investment is what Local Enterprise Partnerships are here for, and it is crucial we continue to play a significant role in Lancashire's economic decision making - acting as an independent voice of business - as we move closer towards a devolved future.

Sarah Kemp
Chief Executive



Economic Overview 21/22

Lancashire's Economic Performance

Similar to rest of the UK, the economic landscape in Lancashire is complex, and the last 12 months have been particularly tumultuous both regionally and nationally.

This is as a result of multiple factors including the ongoing recovery from the pandemic, the invasion of Ukraine, high and persistent inflation, and an increase in the Bank of England's base interest rate.

But by looking at some key indicators we can understand better how Lancashire's economy has fared in the last financial year, while also anticipating some of the factors which will shape future performance.

Employment



Figure 1: Employment Rate 2014-2022, Source: ONS Annual Population Survey, 2022.

Prior to the pandemic, Lancashire's Employment Rate was at 76.2%, 0.3% above both the national and North West rate. With one exception, this has since fallen in consecutive quarters to 72.3%, 2.5% below the national average.

Despite this, the Employment Rate in Lancashire remains higher than at any point in the 10 years before 2015.

However, the scarring from the pandemic appears to have eroded much of the progress made in the last five years, with 23,000 fewer people in employment in Lancashire now compared to the pre-Covid period.

Inflation

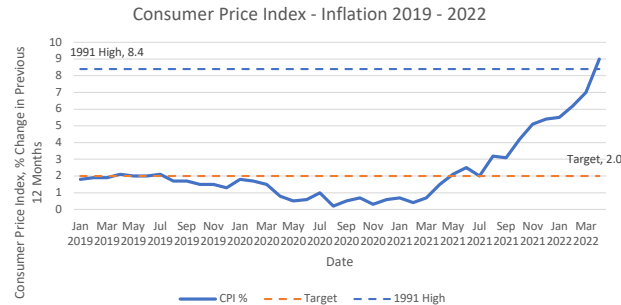


Figure 2: Consumer Price Index, All Components 2015=100. Change on Previous 12 Months. Source: ONS, 2022

Consumer Price Index (CPI) inflation rose above the Bank of England's 2.0% target in August 2021 and since then has risen rapidly. In March 2022 it reached 7%, rising to 9% in April 2022.

The main contribution to the CPI has been from transport costs. This not only includes the price of motor fuels, (with diesel costs now the highest on record), but also the impact of semi-conductor shortages on new car production (which has pushed up the price of second-hand cars).

When looking at the CPIH (CPI + household costs), we see that energy costs, along with transport, account for more than half of the CPIH annual inflation rate. Added to this, inflation driven largely by the price of energy for businesses threatens to feed through into price rises across other goods and services.

Interest Rates

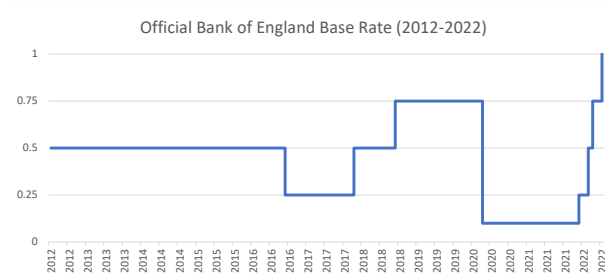


Figure 3: Bank of England Bank Rate/Base Rate of Interest. Source: Bank of England, 2022

To try and combat rising inflation, the Bank of England has raised the base interest rate four times (from 0.1% in December 2021 to 1% as of April 2022).

This is likely to impact on the cost of credit (for businesses and consumers), dampening the appetite for both business investment and increased consumer spending.

GDP

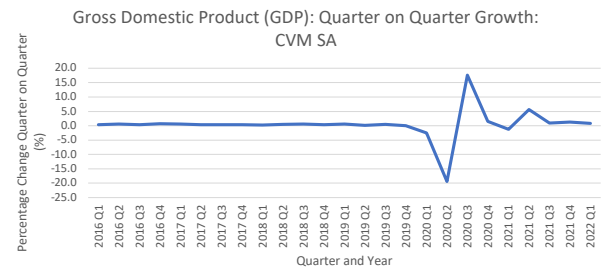


Figure 4: Gross Domestic Product, Quarter on Quarter Growth, Chained Volume Measure, Seasonally Adjusted. Source: ONS, 2022

Economic output has continued to grow nationally across the previous year, albeit sporadically. This culminated in 1.3% of comparative growth in Q4 of 2021. However, economic output figures are subject to a lag at a local level, and figures pertaining to Lancashire's GVA for 2020 have only just been released, and it will be some time before 2021 figures are released.

Lancashire's Claimant Count

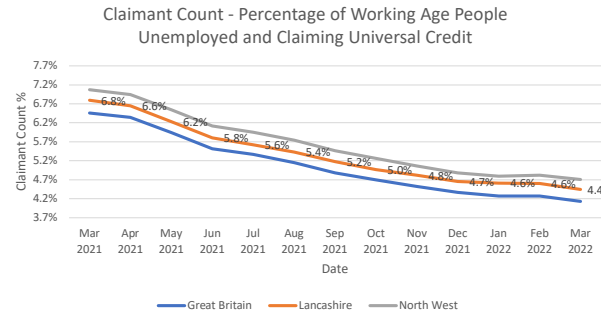


Figure 5: Claimant Count - Percentage of Working Age Population Claiming Universal Credit due to Unemployment. Source: DWP/NOMIS, 2022

In the last 12 months, Lancashire has seen the percentage of unemployed people claiming Universal Credit fall from 6.8% of the working age population to 4.4%. This means the rate as of the end March 2022 is just 0.7% above its pre-pandemic level (3.7%).

The gap between Lancashire and Great Britain has also halved, such that Lancashire is now 0.3% higher than GB (compared to 0.6% pre-pandemic).

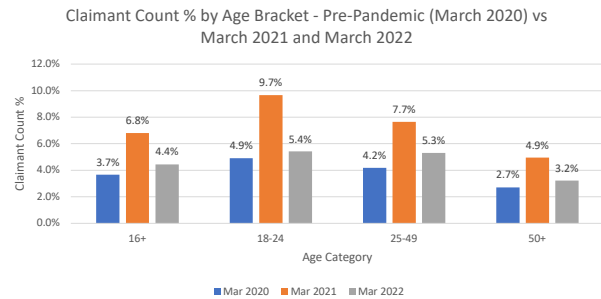


Figure 6: Claimant Count - Percentage of Working Age Population by Age Group Claiming Universal Credit due to Unemployment. Source: DWP/NOMIS, 2022

The fall in the claimant count has been steepest in the 18-24 age group. In this group there has been a fall of 4.3% since March 2021, which is now back to 0.5% above the pre-pandemic level. In comparison, there has been a fall of 2.4% for all working age people (now 0.7% above pre-pandemic level).

It is interesting to note that those aged 25-49 are now only marginally less likely to be claiming unemployment benefit in Lancashire compared to those aged 18-24 (a much smaller gap than pre-pandemic).

Lancashire Job Vacancies

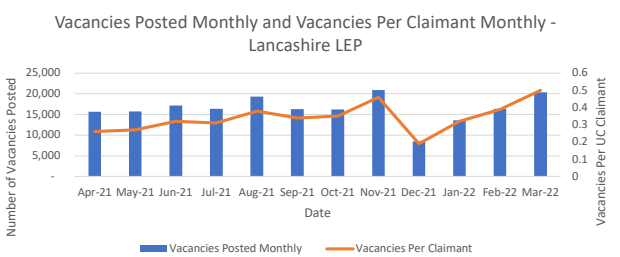


Figure 7: Vacancies Posted Monthly - Lancashire LEP Area. Source: EMS/Burning Glass, Claimant Data from NOMIS, 2022

High volumes of job vacancy postings continue nationally, and this is mirrored at locally and regionally.

In Lancashire, the number of jobs posted monthly - compared to the number of people claiming Universal Credit - show anywhere between 0.2 and 0.5 vacancies per claimant.

Such a buoyant recruitment market has also seen many people switching jobs (aka "The Great Resignation") or demanding more from their current employer.

However, this labour market churn, when combined with incumbent workers seeking higher wages to mitigate the rising the cost of living, risks shutting out those who have been unemployed for some time (and other groups who are not considered 'job ready').

Local Economic & Employment Data

For all the latest Lancashire local economic and employment data - including business birth and deaths, apprenticeship rates, employment by sector, and other Key Performance Indicators - visit:

www.lancshireskillshub.co.uk/our-people/evidence-base



Economic Strategy

The role of the Lancashire Enterprise Partnership is to set and deliver the economic strategy for the county.

Lancashire's Strategic Economic Framework

Over the last year, the board, under the leadership of the new Chair Debbie Francis OBE, has continued to develop and implement the LEP's *Strategic Economic Framework*.

The *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 embedded within the LEP's *Delivery Plan*, such as creation of more Social Value.

Lancashire's Delivery Plan

The LEP's economic *Delivery Plan* for Lancashire includes:

- A Social Value Charter
- A refresh of the *Stakeholder Engagement Action Plan*
- Lancashire's *Internationalisation Strategy*

- Support to the *Lancashire 2050* vision
- Action Plans for the LEP's six Sector Groups
- Emerging Sectors Plans
- Refresh of the *Lancashire Skills and Employment Strategic Framework*
- Refresh of the *Innovation Strategy Action Plan*
- Enterprise Zones *Marketing & Engagement Strategy*
- Review of finance for business investment propositions

Lancashire 2050

The LEP has, and will continue to be, a key strategic partner in the development and delivery of the *Lancashire 2050* vision.

Lancashire 2050, which is supported by all of the county's local authorities, is the evolving overarching strategy, framework and action plan for Greater Lancashire.

Announced by Lancashire's Local Leaders in January 2022, *Lancashire 2050*'s core economic themes and priorities include:

- Economic growth and investment
- Transport, connectivity, and infrastructure
- Early years, education, adult skills, and employment



Aerospace R&D at UCLan



Samlesbury Enterprise Zone



The North Atlantic Loop

- Environment, climate change, and housing quality

In addition to supporting the *Lancashire 2050* initiative, the LEP will continue to deliver its own *Strategic Framework* and *Delivery Plan* (as outlined on page 10) which is focused specifically on businesses growth and supporting the private sector ecosystem.

Priority Sector Groups

Established prior to the pandemic, the LEP's six Sector Groups have continued to develop short, medium and long-term strategies designed to support the county's key industries:

- Energy & Low Carbon
- Manufacturing
- Digital
- Tourism, Culture & Place
- Food & Agriculture
- Health

The groups - which are primarily made up of experienced local business leaders and chaired by a representative from the private sector - utilise their skills and insights to help shape our investment programmes, ensuring we target the right type of support, at the right time, to the right businesses.

Each Sector Group is also tasked with producing an in-depth sector strategy.

These not only set out the strengths, challenges and opportunities found within their respective industries, they also include specific recommendations and action plans which are designed to maximum the county's growth potential.

You can find out more about the work of the LEP's Sector Groups on pages 14-15.

Lancashire's Internationalisation Strategy

Lancashire's new *Internationalisation Strategy* is set to be a ten-year programme designed to significantly grow the Lancashire economy through a proactive and targeted approach to international markets.

At its heart will be an ambition to:

- Position Lancashire at the forefront of international innovation
- Build a globally competitive regional economy, including more exports
- Promote the Lancashire brand more widely internationally
- Establish Lancashire as a place of world-class talent, international investment opportunities, and a hub of global exports

The strategy will have five pillars of activity - export & trade; inward

investment; capital investment; innovation; and the visitor economy.

For each pillar, the strategy will set out evidence regarding Lancashire's sector strengths, and how these relate to current global trends, and anticipated international demand.

One of the county's standout opportunities due to be highlighted in the *Internationalisation Strategy* is Lancashire promoting itself globally as a high-tech, multi-disciplinary and innovation-based testbed.

This is based on the county's proliferation of world-class university R&D assets and industry-led centres of excellence, many of which are directly aligned to the needs of several fast-growth sectors.

Examples include: cyberspace and telecoms; sustainable construction; green energy and cleantech; drones and future flight; 5G and private networks; digital health and medtech; agritech; and decarbonised transport.

For all our latest Lancashire economic strategy plans visit:

www.lancashirelep.co.uk/publications-documents



Partnerships

We bring together Lancashire's stakeholders to drive growth, increase prosperity, and create more opportunities for everyone.



Debbie Francis at AMRC North West opening



NP11's Convention of the North



Eden Project North

A culture of collaboration

The convening power of LEPs, and their ability to bring many different stakeholders together, was highlighted in government's recent *LEP Review* and the *Levelling Up White Paper*. We work closely with local authorities, government departments, public agencies and education providers - together with large employers, investors, SMEs, business networks, and others - to inform our strategies, shape our priorities, and determine our investments.

Partnering with businesses

As the county's voice of business, the LEP proactively forges links between the private and public sectors; facilitating opportunities for businesses to work with partners who can help unlock commercial growth.

Further, the LEP's six industry-led Sector Groups (as outlined on pages 14-15), the Boost service, and initiatives such as the *Lancashire Innovation Board*, allow us to truly understand the specific and specialist needs of our key local businesses, and respond effectively. This includes developing targeted interventions in areas such as skills, finance and infrastructure.

In addition, the LEP has helped develop deeper relationships between the

county's business community and its R&D assets. These include the AMRC North West, Lancaster's Health Innovation Campus, and the RedCAT alternative technology facility in East Lancashire.

Partnering with government

The government's guidance on the future role of LEPs has highlighted our important role in the delivery of many key government functions including:

- Lancashire's Growth Hub (including the Boost service) on behalf of the Department for Business, Energy and Industrial Strategy (BEIS)
- Lancashire's international trade and investment activity on behalf of the Department for International Trade (DIT)
- Lancashire's *Digital Skills Partnership*, and other digital and cultural initiatives, on behalf of the Department for Digital, Culture, Media and Sport (DCMS)
- Lancashire's Careers Hub and Skills Advisory Panels on behalf of the Department for Education (DfE)

Transformational partnerships

The LEP has been involved in several recent projects which will have a significant economic impact in Lancashire, the wider North West, and beyond.

One of these is the government's National Cyber Force (NCF) HQ which is set to be located in Samlesbury. A multi-billion pound investment - which will generate thousands of new direct and indirect jobs across the county - this transformational scheme is set to anchor a new 'cyber corridor' in the North West.

This will see the NCF linking up with our universities - and GCHQ's expanding operations in Greater Manchester - to create a world-leading cyber space and cybersecurity cluster.

The LEP has also played a key role in the Eden Project North scheme, supporting the project both financially, and through being part of its commissioning board (working alongside Lancashire County Council, Lancaster City Council, Lancaster University, and the Eden organisation itself). If the scheme is progressed, the commissioning board will have a key role to play in Eden North's governance and in the delivery of its core strategic outcomes. Find out more about Eden Project North on pages 22-23.

Partnering with skills and education providers

The LEP enjoys high levels of engagement with the county's four universities.

This work includes supporting industry-led initiatives designed to increase productivity, and other commercially focused programmes linked to skills, graduate employability, and commercial R&D.

Through the Lancashire Skills and Employment Hub, we also support fantastic programmes aimed at our schools and colleges, such as the *Enterprise Advisor Network* and the *Careers Hub*.

Other major multi-partner programmes, designed to help upskill people and boost job opportunities, include the *Lancashire Skills and Employment Advisory Panel*. Supported by the Lancashire Skills and Employment Hub, the *Advisory Panel* is a partnership between industry, educational providers, and local authorities.

Additional collaborations involving employers, providers and policy makers which underpin our skills provision include the Adult Skills and Employer Skills forums, the *Digital Skills Partnership*, the *Health and Social Care Skills Partnership*, and the *Cornerstone*

Employers group which supports the *Lancashire Careers Hub*. Find out more about our skills and employment work on pages 18-19.

Partnering with communities

The LEP continues to be a facilitator of positive change in many different ways. For example, Social Value and Inclusive Growth continue to be integrated into the commissioning and planning processes across all of the LEP's major investment programmes including the *Getting Building Fund*, the *Growth Deal Fund*, the *City Deal*, and the work of Boost.

The county's *Growth Deal* projects alone have generated nearly £54m of Social Value to date.

This is realised in a variety of ways such as the use of (primarily) local labour, procurement opportunities weighted towards local suppliers, and money being spent within local supply chains whenever possible.

More and better Inclusive Growth outcomes are generated through the promotion of specific workforce initiatives to help veterans, while young people from deprived backgrounds are supported by initiatives which create more apprenticeships and work experience opportunities. Such programmes, which also include projects

that support prison leavers, are part of a wider Social Mobility and Inclusion Strategy being delivered through the Lancashire Skills and Employment Hub.

Partnering with our peers

Lancashire has always played a pivotal role in the development of the wider North, and we work with many different partners on a range of regional initiatives.

One example is the *North West Net Zero Consortium*, a partnership between the North West's five LEP areas. Working together, the Consortium successfully delivered several regional projects linked to COP 26, and continues to deliver a programme of legacy activities aligned to the Net Zero agenda.

Another is *United For Ukraine* - a coalition established by the Northern Powerhouse Partnership, and North West Business Leadership Team, which helps to connect local employers with Ukrainian evacuees seeking work.

Further, we remain an active member of the NP11 (a council of all the Northern LEPs), and the national LEP Network. Through the LEP Network we regularly participate in a peer-to-peer review programme. This sees us being paired with a LEP from a different English region to share best practice and explore solutions to shared challenges.



Key Sectors

The LEP's six Sector Groups are led by local business leaders who represent the county's core sectors and key growth industries.

A business-led approach

In 2021/22 the Groups continued to play a crucial role in supporting the county's immediate post-Covid recovery, with some progressing the development of longer-term plans to maximise future investment opportunities and growth potential.

Energy & Low Carbon

This sector was (relatively) unaffected by the extreme economic consequences of Covid. As a result, the LEP's Sector Group was able to quickly develop Lancashire's *Energy & Low Carbon Plan*.

Published in June 2021, this document captures and analyses the county's significant strengths in low carbon and energy-related technologies - including Lancashire's capacity to manufacture devices which will help enable a Net Zero future - in addition to setting out a plan on how to capitalise on them.

Delivery was also started on several key low carbon projects. These included the RedCAT innovation facility in East Lancashire, which aims to accelerate the commercialisation of low carbon innovation, and the county's employer focused *Local Skills Improvement Plan* (LSIP) trailblazer, which has a core energy and environment component.

In addition, Lancashire worked with the Northwest Consortium to raise the profile of the region during COP26. In advance of the summit, Lancashire hosted a government-backed COP26 roadshow and VIP event which provided a platform for some of Lancashire's most dynamic low carbon businesses to demonstrate the county's capabilities.

Digital

The *Lancashire Digital Economy Report 2021* highlighted the significant strengths of the county's digital industries, and identified several tech-hungry sectors including telecoms, energy and advanced manufacturing.

The report also highlighted Lancashire's world-class strengths in cybersecurity. This was shortly followed by the announcement that Samlesbury had been chosen to be home to the *National Cyber Force* - a multi-billion pound, transformational investment which will put the county at the heart of the national and international cyber industry.

The LEP's Digital Sector Group has, in response, been undertaking extensive consultation with the many different industry partners, the county's universities, and the wider supply chain, to ensure the region maximises this once in a generation opportunity.

Further, the Group has been exploring other digital growth sectors - including future mobility, digital health, and e-commerce - and have been developing a comprehensive digital industries growth strategy and action plan.

Tourism, Culture & Place

As this sector started to recover from the worst of the pandemic, the Sector Group began to look forward, assessing barriers to growth over the short, medium and long term. One primary issue identified was the difficulty in attracting and retaining staff - with many of those having left the sector during the pandemic choosing not to return.

Meeting this challenge is complex, with enhanced salary packages and more flexible working hours still not tempting some staff back, or attracting enough new entrants.

In response, the LEP's Sector Group is focused on understanding the underlying causes of the recruitment issue, along with exploring new product development and marketing initiatives.

Health

The Health Sector Group - which includes representatives from the private and public sectors, universities, and other key organisations - has



Health innovation at Edge Hill University



Leading electech firm, Forsberg



Advanced manufacturing at BAE Systems

been gathering evidence from a range of sources to see how the county can develop a dynamic, innovative and collaborative health ecosystem; one which places addressing health inequalities, and ensuring wellbeing for everyone, at its core.

This approach is directly aligned to the relationship between poor health and poor productivity, and it has been calculated that Lancashire loses £1.4bn per year in GVA through health-related issues.

The Group is therefore taking a holistic, and integrated approach to the health, social care, education and employment needs of the county.

The Group is also looking at specific high growth sub-sectors, such as medtech, medical devices and digital health, and how the county's strengths (in areas like cybersecurity) can maximise opportunities in data-driven healthcare disciplines.

Food & Agriculture

Brexit has continued to present both challenges and opportunities for Lancashire's food and agriculture sectors.

For example, the transition from the *Basic Payment Scheme* to the

Environmental Land Management Scheme, along with access to labour and increased pressures on costs, has had a significant impact on the county's farming industry. This is coupled with the demands of the government's Net Zero target, the effects of climate change on yields and resource management, and changing consumer expectations.

However, Lancashire's natural assets, rich agricultural heritage, technological expertise - and many other food production strengths which permeate the whole supply chain - means the county's farming and food sector has the potential to become an exemplar of modern and sustainable food production.

As a result, the Sector Group has been looking at how different interventions, investments and activities will accelerate growth in the sector, with an emphasis on agritech, cluster development, and recruiting a more home-grown and skilled food production workforce.

Manufacturing

One of the main focuses of the Manufacturing Sector Group has been the implementation of the LEP's *Aerospace Recovery Plan* which recommended a number of

interventions developed in response to the impact of Covid on the county's civil aviation supply chain.

This activity was supported by the *Lancashire Economic Recovery and Growth Fund*, a Lancashire County Council programme which invested £1m to support a range of initiatives to help the aerospace sector.

These included the *Aerospace Watch Tower*, a service which monitors the status of key Lancashire aerospace businesses and provides tailored business support to ensure their survival.

The Group has also been addressing many other issues which impact on the sector. These include the cost and availability of raw materials; identifying regional weaknesses which constrain growth; sector skills shortages and increasing collaboration with education providers; and the productivity benefits of Industry 4.0.

Other major manufacturing milestones, including the opening of the AMRC North West and the LSIP Trailblazer, have further provided platforms to boost levels of SME engagement in the sector, along with the promotion of the economic benefits of decarbonisation through the AMRC North West's Low Carbon Demonstrator.



Innovation & Emerging Sectors

The LEP's commitment to driving innovation as a critical, cross-cutting enabler for economic growth has continued at pace.

Investing in innovation

Currently being refreshed, the LEP's *Innovation Plan* - which sets out the challenges Lancashire faces to stay competitive while also looking at markets where it can take the lead - is already having a tangible impact.

The LEP has further played a key role in securing funding which has brought more world-class innovation infrastructure and assets to the county such as the AMRC North West's Low Carbon Demonstrator.

Additionally, the LEP continues to support partners and industry groups in their delivery of events and resources which strengthen the county's innovation networks. These include the Lancashire Innovation Festival, the Lancashire Tech Talks series, the Lancashire Cyber Alliance, and Lancaster's Fraser House co-working space.

Lancashire Innovation Board & Innovation Plan

Lancashire's *Innovation Plan* has been developed under the direction of the LEP's Innovation Board.

Led by Professor Graham Baldwin - the Vice Chancellor of UCLan - the Board plays a key role in driving strategic interventions which boost the county's

ability to nurture, accelerate and commercialise innovation.

The Innovation Board has also supported the delivery of multiple innovation projects and resources. These include the Innovate Lancashire website (www.innovatelancashire.co.uk), a dynamic, interactive platform which brings all of the county's innovation activities together in one place.

The LEP further developed the website's Observatory feature - which highlights innovative companies and assets in the county by sector and cluster.

Innovation acceleration through collaboration

Increasingly, Lancashire businesses - including SMEs - are working with the county's four universities to increase their capacity and ability to innovate. Many of these collaborations have been supported by the *European Social Fund* (ESF).

This culture of collaboration and knowledge exchange has seen several spinouts from Lancaster University go from strength to strength. These include a life sciences business involved with Covid vaccines, and an energy business which has developed a cobalt and lithium free solid-state sodium battery for electric vehicles.

Lancaster University has also developed Innovation Catalyst - a *Community Renewal Fund* (CRF) programme - which brings businesses together with academics to explore innovative solutions to major commercial challenges.

Edge Hill University continues to deliver its popular and proven *Innovation Sprint* programme - a scheme which helps local SMEs assess, understand and address innovation challenges to help them grow.

The bringing together of businesses and academia has also seen UCLan develop the *Health MATTERS* scheme, a program which helps SMEs develop more opportunities across the healthcare sector.

UCLan has also worked with waste management business Recycling Lives, helping to transform hard-to-recycle scrap vehicle waste into useful commercial by-products including a source of energy.

Lancashire's universities themselves are increasingly working together to tackle major social, environmental and commercial challenges.

One example is the ECO-I North West cleantech initiative, and Lancashire's role in the project has helped position the county as a leader in low carbon and sustainable innovation.



Drone Command Centre, UCLan



Lancaster Health Innovation Campus



Elucedra, Burnley

Emerging & Fast Growth Sectors

The LEP - working in partnership with national and regional bodies such as UK Research and Innovation, BEIS, the North West Business Leadership Team, the NP11 and other partners - has identified and developed several fast-growth sectors where Lancashire has a strong competitive advantage.

Cyber & Cybersecurity

The decision to base the UK's National Cyber Force (NCF) in Samlesbury will bring with it a multi-billion pound investment for Lancashire and place the county at the forefront of the global cyber industry.

It will also consolidate Lancashire's position as an anchor of the North West Cyber Corridor - combining the resources of the GCHQ hub in Manchester, the world-class cybersecurity expertise of the region's universities, industry, and the NCF itself.

The LEP, which was a driving force in securing the NCF agreement, has subsequently been working with a wide range of partners - including universities, employers, skills providers and the technology supply chain - to develop an integrated cyber offer.

This offer will include private sector and academia-led R&D, high-quality training provision, inclusive career pathways, and multiple market opportunities for SMEs within the cybersecurity and wider cyber sector.

Space & Satellites

Lancashire's position as a world-leader in sectors like aerospace, nuclear energy, telecoms and cybersecurity, means it is well placed to make a significant contribution to the rapidly emerging UK Space industry.

This is further reflected by Lancashire being on the Leadership Group of the *North West Space Cluster*, a major government-backed initiative to boost the region's share of the Space economy.

The Cluster also supports several major Lancashire-based R&D programmes linked to the next generation of unmanned air and spacecraft, and high-altitude drones.

The LEP itself has been central to the development of the *North West Space Cluster Strategy*, and local coordination efforts ensure many Lancashire businesses, academics and industry experts are set to play a key role in its execution.

Electech & more

Electech is a dynamic manufacturing sector which produces innovative, bespoke and proprietary electronics, electrical hardware and embedded software for all kinds of technical equipment.

Lancashire itself is home to a fast-growing cluster of electech companies - based around Morecambe Bay and Lancaster - which specialise in discrete disciplines such as control systems, navigation technology and battery storage.

This has led to the LEP-supported *Electech Innovation Cluster* (ETIC) - an independent consortium of companies which aims to forge links between industry, R&D, government, and education.

The EITC has also been working with *Innovate UK*, and has been recognised at national level as an exemplar of an innovation-led technology cluster.

These and other growth sectors - such as agritech, digital health, future mobility and low carbon technologies - will continue to be proactively supported, showcased and championed by the LEP to drive further investment and unlock additional opportunities.



Skills & Employment

With 100% Careers Hub coverage across all Lancashire's schools and colleges, skills and employment remain a core LEP priority.



Pendle's YES Hub, an employability and wellbeing service for young people



Lancashire Skills Pledge



The Teen Tech Festival

A strategic and themed approach

The Lancashire Skills and Employment Hub has continued to implement the county's *Skills and Employment Strategic Framework*.

The *Framework*, which was refreshed in February 2021, has four strategic themes: *Future Workforce*; *Inclusive Workforce*; *Skilled & Productive Workforce*; and *An Informed Approach*.

These themes help to structure our priorities and inform strategies, while also enabling us to engage in aligned activity with education providers, businesses, stakeholders and national policy makers.

Theme 1 - Future Workforce

The Lancashire Careers Hub, with delivery partner Inspira, reached 'full coverage' in September 2021.

This meant every secondary school and college across the wider Lancashire area - including both special schools and alternative providers - was engaged with the Hub.

Further, all 156 institutions were matched with a local business leader who helps design and deliver a bespoke careers programme.

Employer encounters were also delivered virtually via the interactive *Start in Lancashire* online portal.

The platform, which brings to life local labour market intelligence, was vital as we emerged from lockdown, enabling schools and colleges to take a blended approach as they gradually returned to normal.

Through the Lancashire Digital Skills Partnership, there has been a specific focus on raising the profile of careers in technology.

This has included supporting a series of inspirational programmes such as *The Teen Tech Festival*, *Cyber Girls First*, *Digital Advantage*, and the BAE sponsored initiatives *Innovate Her* and *Create Education*.

Following a collaborative bid from Lancashire's colleges and universities, the *Levelling Up White Paper* confirmed Lancashire's success in securing a new Institute of Technology (IoT).

With the roll out of T Levels, and over 300 young people engaged so far across six local colleges, the IoT will provide pathways to Higher Technical Qualifications aligned with the needs of local businesses.

Theme 2 - Inclusive Workforce

Led by the Skills Hub, the Adult Skills Forum brings together partners involved in the provision of employment and skills support.

An initiative which helps deliver such support is the *Lancashire Skills Escalator*, a programme which brings all adult provision into one place, enabling effective referrals through the *Escalate* online tool.

In the summer of 2020, and in response to the pandemic, another online resource was successfully developed - *Skills for Work* - which enabled adults to access opportunities to reskill, upskill and get additional support into employment. With over 18,000 visitors during the pandemic, the project is still live.

By March 2022, activity across the ESF-backed adult programme had supported over 1,100 young people not in education, employment or training (NEET), and had engaged with over 24,000 unemployed adults.

Of these, over 8,000 have progressed positively towards training or employment opportunities, with many others still on programme.

Following successful trials in Lancashire and Greater Manchester funded by both

DCMS and DfE, Lancashire has secured over £1.25m to roll out more *Skills Bootcamps*.

These programmes provide 12-16 weeks of intensive skills training, enabling unemployed people to secure Level 3 (and above) technical roles in skills shortage areas.

These include opportunities within the county's thriving digital industries such as software development, electronics, digital marketing, and cybersecurity.

Theme 3 - Skilled and Productive Workforce

The *Lancashire Apprenticeship Service* has now been launched. Developed in partnership with the Lancashire Work Based Learning Forum, which includes the Lancashire Levy Transfer Network, large employers from across Lancashire have pledged over £900,000 to launch the programme. Applications from over 30 organisations seeking help in taking on apprentices are already being processed.

The Lancashire Employer Skills Forum continues to bring providers together, and continues to work with Boost, to highlight the value of more and better skills to employers.

By the end of March 2022, over 3,200

local businesses were supported in the reskilling and upskilling of over 18,500 employees via ESF-supported projects.

The securing of £19m of additional *National Reserve Funds* by the Skills Hub enabled other skills projects.

These include the *Building Blocks* programme, part of *Business Health Matters*, which aims to raise the health and wellbeing of employees in Lancashire's SMEs through the training of over 5,000 Health Champions.

With support from the Lancashire Digital Skills Partnership, *The Lancashire Cyber Alliance* (LCA) was launched in February. A new network for the cybersecurity industry, members include SMEs, corporates, universities, skill providers, and public sector agencies. The LCA, which is aligned to Northwest Cyber Security Cluster, linking with the National Cyber Cluster and DCMS, is set to be a key partner in the evolution of the National Cyber Force HQ at Samlesbury.

The Lancashire Skills Hub worked closely with Lancashire's three Chambers of Commerce and local colleges to support two Skills Accelerator trailblazers: the *Local Skills Improvement Plan* (LSIP) and the *Strategic Development Fund* (SDF).

The SDF is specifically focused on

tackling the skills challenges presented by the move towards a low carbon future (as highlighted in the LEP's *Skills For Net-Zero* report published in partnership with Lancaster University's Work Foundation).

Theme 4 - Informed Approach

Lancashire's *Local Skills Report* evidence base - which was refreshed earlier this year - is available on the Skills Hub website.

In addition, users can access a dynamic and interactive employment and skills dashboard - an open access platform which contains a wide range of local labour market intelligence. The dashboard, which is updated in real time, is fully searchable and can be interrogated in granular detail.

The Skills Hub website also carries details of *The Lancashire Skills Pledge*, our initiative which recognises local businesses which are committed to inspiring, recruiting and upskilling the people of Lancashire. So far, we have secured over 265 pledges.

In February 2022, over 120 businesses were publicly recognised for their pledge commitments through a special Skills Hub event.



Business Support

2021-22 was far from a typical year with regards to delivering the county's business support services.

A shift to hybrid support services

The pandemic continued to disrupt many business activities. This included limitations placed on business operations, and significant numbers of employees absent (either through direct Covid infection, or through caring for family members).

The delivery of Boost services through digital channels - including via video conferencing - which were introduced in 2020 continued throughout 2021-22, with face-to-face services gradually resuming as social distancing guidelines were eased.

Despite the option of returning to more in-person support and physical meetings, some clients found they still preferred accessing services remotely.

As a result, Boost services were recalibrated to offer a blended approach of face-to-face engagement together with remote and digital delivery options to meet specific client needs.

Boost's powerful performance

In 2021-22 saw the Boost service continue to outperform its target KPIs in many key areas.

Standout achievements include doubling the number of target business assists and the volume of new businesses created.

Boost's year at a glance:

- Number of businesses assisted
 - Target 400, achieved 838
- New jobs created
 - Target 330, achieved 347
- Number of new businesses created
 - Target 60, achieved 133
- Individuals helped to start a business
 - Target 120, achieved 173
- Number of IDB (Information, Diagnosis, Brokerage) interventions
 - Target 500, achieved 418
- Gross Value Added
 - Target £10m, achieved £10.1m
- Referrals to core Boost Programmes
 - Target 250, achieved 214
- Website metrics - website hits-
 - Target 5000, achieved 31,309

Business (support) as usual

Running in parallel with the additional support and services provided to meet the increased demands of Covid-19, Boost also continued to deliver its core business programmes, including those funded by ERDF and BEIS.

As part of this process, Boost's core provision for businesses - which is made up of a wide range of business support products and services - was reviewed during 2021.

As a result, in January 2022, Boost's 'offer' was refreshed thus:

- **Business Relationship Management**

(Client engagement and referrals)

- **Flying Start** (Pre-start and early-stage businesses)
- **Growth Mentoring** (support for established businesses)
- **Boost Bespoke** (Scale-Up support, new products/markets)
- **Boost Marketing** (programme wide business engagement)

To help develop, drive and deliver this programme - and other services - the Growth Hub received funding from BEIS, ERDF and Lancashire County Council.

BEIS support in particular was vital, with £536,500 of funding helping to enable a wide range of services including schemes focused on low carbon activities, increasing SME access to finance, and enhancing business resilience.

Ramping up Lancashire's peer-to-peer networks

Between September 2021 and March 2022, the Growth Hub - through Boost - delivered a second programme of *Peer Networks*.

This was supported by grant funding of £290,00 from BEIS, which enabled groups of local businesses to come together, supported by a facilitated Action Learning process. The format saw business owners and managers from across Lancashire working



The Boost business support team



Burys Solicitors, Clitheroe



KTG Recruitment, Preston

together to solve common commercial challenges, share valuable knowledge and key insights, and offer mutual support.

The programme, which delivered 21 cohorts of support to 227 companies, was an overwhelming success. The initiative generated extensive positive feedback from the participating business leaders, and overall the programme received a 98% satisfaction rating.

Boost's positive impact and tangible customer value

Boost conducts an annual business survey to gauge how the businesses it helps feel about the support they have received.

In 2020/21, this reported that 79% of Boost customers gave the service 5/5 (the maximum score possible) while the overall satisfaction rating was over 94%.

This high level of satisfaction as identified through the survey was further reflected in glowing customer testimonials and other positive feedback. For example:

"Boost Growth Mentoring programme improved my confidence in selling and has also given me several connections to influential people. This has helped me grow the business, and has opened a number of doors of opportunity."

Scrap Local

"Working with Boost's coaches improved our structure and processes and gave greater accountability within the business. We also looked at what pieces needed to be added to the business for us to grow. The things we put in place during this period helped to sustain KTG and start us on the road to recovery."

KTG Recruitment Ltd

"The support Boost has provided through the funded workshops and coaching programme has been invaluable. Starting a new business is scary and there were a lot of things I didn't know. My Boost coach was incredibly helpful throughout the journey, sharing his advice, providing referrals and recommending workshops and support to fill the gaps in my experience and knowledge."

Yolo Wellbeing

About BOOST

Boost, Lancashire's Business Growth Hub, supports growth businesses. It works with them to access direct Boost support and signposts them to other business support agencies and private sector services at local, regional and national level.

Boost's objectives are:

- To promote high quality business support to Lancashire SMEs

- To encourage entrepreneurship and the sustainable growth of Lancashire businesses
- To foster innovation, product development and business resilience
- To encourage business support agencies to work together and coordinated an easily understood business growth offer

Find out more at www.boostbusinesslancashire.co.uk



Placemaking & Infrastructure

The LEP continues to invest in Lancashire's towns and cities; revitalising places and supporting communities.

Transformational capital investments

The LEP and its partners continue to invest substantially in places, people and infrastructure. This ensures that residents and communities enjoy a good quality of life - wherever they live, work or study - while creating the networks, amenities and facilities required to drive growth.

Through its many investments, the LEP also continues to create opportunities for everyone by generating tangible and measurable Social Value outcomes.

In addition, the LEP's capital programmes are making a significant contribution to the government's Levelling Up aspirations.

These include the Lancashire Enterprise Zones, the *Growing Places Loan Fund*, and *The Preston, South Ribble and Lancashire City Deal*.

During 2021/22 other major LEP investment funds, such as the *Growth Deal* and the *Getting Building Fund*, have also enabled transformational projects and programmes across Lancashire.

Delivered by a wide range of local partners, many of these schemes are of national and international significance, such as AMRC North West, the Health

Innovation Campus, and Eden Project North.

In total there are over 60 capital projects being supported by the LEP's investment programmes with a combined value of £756m.

These in turn continue to leverage significant amounts of investment from the private sector - driving more growth, unlocking more commercial potential, and creating new opportunities for everyone.

A selection of these projects, which have either commenced or completed on site in this *Annual Report* year, include:

Advanced Manufacturing Research Centre North West (AMRC North West) - Sheffield University

Based at Samlesbury Enterprise Zone, the AMRC North West was officially opened by the Minister for Industry, Lee Rowley, in March 2022.

This £20m applied research and development facility has been developed to boost productivity and drive growth within the advanced manufacturing sector.

An R&D hub of national significance, the AMRC North West will enable

hundreds of Lancashire's businesses - both large firms and SMEs - to innovate, commercialise and compete globally.

Blackpool's International Conference Centre and 5 Star Hotel - Blackpool Council

Based at Blackpool's famous Winter Gardens, this new £28.8m conference centre and hotel complex was opened by the Prime Minister in March 2022 at the Conservative Party Conference.

With a capacity of 2,000 - and with a highly advanced AV system and other cutting-edge technology features - it is one of the largest and best equipped venues of its kind in the North.

The new conference centre, together with Blackpool's long history of hosting major events and exhibitions, will help the resort compete for new conference and meeting opportunities both nationally and internationally.

Eden Project North - Eden Project International Ltd

The LEP has supported the proposed Eden Project North since its inception. This has included investing £2m to help the scheme through the design and planning stages, helping the project receive full planning permission.



Pioneer Place, Burnley



Eden Project North



School of Science, West Lancashire College

Now subject to a government Levelling Up funding decision, the vision for Eden Project North is for Morecambe to be reimagined as a seaside resort for the 21st century.

Inspired by the rich natural assets of Morecambe Bay, the scheme will have a focus on environmental and human health and wellbeing.

Eden Project North will also undertake ground breaking scientific R&D, linking into the world-class research being generated by Lancaster University and other local partners.

Further, it will act as a catalyst to drive the regeneration and transformation of the local and regional economy.

EIC Drone Command Control Centre - University of Central Lancashire

Completed in April 2021, the £1.4m Lancashire Drone Command Control Centre project at UCLan has rapidly become one of the best equipped UAV and drone R&D hubs anywhere in the UK.

The facility is located at UCLan's £35m Engineering Innovation Centre (EIC), which itself was supported by £10.5m from the LEP's *Growth Deal* programme.

The School of Science - West Lancashire College

The School of Science, a new £1.3m STEM centre at West Lancashire College, was officially opened by Professor Brian Cox CBE in July 2021.

Housing a fully equipped laboratory, a prep room, an engineering zone, and a high-tech teaching space, the facility aims to unlock more STEM opportunities - and increase STEM skills - to help drive economic growth across West Lancashire.

The School of Science will support the delivery the college's engineering, medicine, medical science and applied science programmes.

Pioneer Place Cinema & Leisure Complex - Burnley Borough Council

Burnley's £23m Pioneer Place project - which commenced on site February 2022 and is due to complete in 2024 - will greatly enhance Burnley's leisure and retail offer.

The scheme, which will include a seven-screen cinema and five retail and leisure units, plus a 226-space car park, is set to bring additional visitors into the town and create hundreds of new jobs.

It will also support the growth of UCLan's Burnley campus as part of a wider Burnley regeneration scheme.

Project Neptune - Wyre Council

The £8.8m Project Neptune scheme, which commenced on site in June 2021, is due to complete soon. Phase one will be a mixed-use development at Fleetwood Docks including the development of a modern, purpose-built Food Park.

In addition to safeguarding jobs, Project Neptune is designed to help future proof Fleetwood's fishing and food sector. It will also undertake enabling works to develop the waterfront, creating opportunities for new residential developments and new public realm.

Strawberry Meadows Business Park- Chorley Borough Council

Formerly known as Alker Lane, the £11m Strawberry Meadows project commenced on site in April 2021 and was completed in June 2022.

This new, state-of the-art business and industrial hub - which offers a mix of office accommodation, workshops and light industrial space - was developed to support local businesses looking to expand and attract new businesses looking to relocate.



Governance

Accountability requirements

LEPs are entrusted with very significant sums of public funds for capital growth investment, business support, innovation, 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 roles and responsibilities 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 who lead the economic growth strategy 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 Department, 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 the 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 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.

The findings of the 2021-22 *Annual Performance Review* are broken into three themes; Governance, Strategic Impact and Delivery. The findings of the *Annual Performance Review* of 2021/22 in respect of Strategic Impact confirms the LEP has met its requirements. In respect of Governance and Delivery, there were three actions identified 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. In 2021, the LEP also hosted its first major annual conference, bringing LEP Board members and officers together with key local partners and stakeholders to discuss, explore and debate Lancashire's economic roadmap.

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.

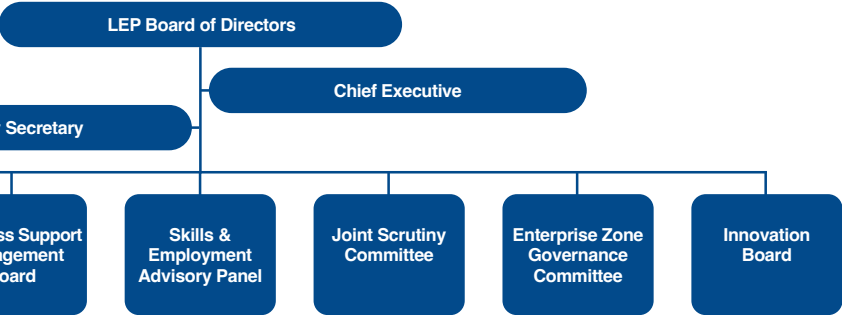
The Accountable Body provides an Annual Statement to Government to confirm the LEP's compliance with the *National Assurance Framework*.

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 the 2021/22 report.

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.

The 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 arrangements 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 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.

Scrutiny

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.

The principal purpose of such scrutiny is to influence the policies and decisions made in relation to the delivery of services undertaken by the LEP using public funding and, ultimately, to improve the lives of local people through improved public services.

As a result, a *Joint Scrutiny Committee* was created in 2021. Comprising of all local authorities from the LEP area,

the committee provides locally elected members the opportunity to scrutinise the work of the LEP on behalf of the Lancashire's constituents, gather evidence on issues affecting local people, and make recommendations to the LEP.

While the *Joint Scrutiny Committee* has no formal power, the LEP welcomes the positive role it plays as a 'critical friend'; helping us to identify areas where decision making could be improved and helping to prevent mistakes being made.

Current scrutiny arrangements are clearly set out in the *LEP's Assurance Framework* and on the LEP's website. Further, they are regularly reviewed as part of the LEP's *Annual Performance Review*.

Audit, evaluation and monitoring

Each of the LEP's programmes - including *Growth Deal, Boost, Getting Building Fund, Growing Places Fund, 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



Operating Budget 2021-2022

	2021-22 Budget	2021-22 Actuals to March 2022
Income		
DCLG income - strategic	250,000	250,000
DCLG income - core	250,000	250,000
LCC / BwD / BCC	250,000	249,999
Contributions towards studies		10,000
Growing Places Interest funding operating budget	200,000	193,815
Interest received on funds held by LCC	32,000	72,159
Total Income	982,000	1,025,974
Expenditure		
<i>Staffing</i>		
CEO and interim CEO Costs	191,757	166,090
LEP core staff	471,567	354,584
LEP contribution to Skills Hub staff	98,587	63,217
	761,911	583,891
<i>Core Running Costs</i>		
Accommodation	20,000	17,032
Treasury management costs	15,200	15,200
Accountable Body Support Agreement		-
Running costs	25,000	31,276
	60,200	63,508
<i>Strategic Framework Delivery</i>		
Local Industrial Strategy		18,616
Sector Support	12,000	46,015
Finance for Business	29,000	11,600
Manufacturing Sector Group	20,000	
Internationalisation Strategy	60,000	73,550
GLP Independent Economic Review		-
	121,000	149,781
<i>Project Support</i>		
Festival of making	45,000	45,000
LEP programme consultancy and assurance	50,000	13,550
General Project Funding - digital sector	200,000	7,000
Appraisals , M&E Reports	50,000	
Match for Careers Hub and Enterprise Advisors		
Network	25,000	25,000
Levy Transfer Network	10,000	8,090
Extension of Export Plan advisor	11,000	
	391,000	98,640
<i>Marketing & communications activity</i>		
Specific agreed marketing projects	120,000	53,416
	120,000	53,416
<i>Marketing & communications commissions</i>		
Annual Conference and annual publications	10,000	28,609
	10,000	28,609
<i>Fees and charges</i>		
Legal Support	50,000	7,636
Company Secretary	43,000	43,000
Temporary Consultancy Support		
	93,000	50,636
<i>LEP Restructuring Budget</i>		
Consultancy and professional support	100,000	
Recruitment costs	30,000	12,525
Provision for staff indemnity liabilities		
	130,000	12,525
Total Expenditure	1,687,111	1,041,005
Net P&L	- 705,111	- 15,031

About Lancashire

Located in the heart of England’s North West, and bordering the city regions of Liverpool, Manchester and Leeds, Lancashire has one of the largest regional economies in the UK.

Just over two hours from London by train, the county is also well connected via six major motorways. The rest of the world can be reached easily via international airports at Manchester and Liverpool.

Lancashire is a diverse and dynamic region geographically, culturally and socially.

It offers a fantastic blend of bustling urban centres (including Preston, Lancaster, Burnley and Blackburn), picturesque rural villages, and lively seaside resorts (such as Blackpool and Morecambe).

It's also home to swathes of unspoilt countryside including The Forest of Bowland - a designated Area of Outstanding Natural Beauty - and miles of rugged coastline.

And if that's not enough, the Yorkshire Dales and the Lake District are close by.

Such diversity is also reflected in its rich cultural and leisure offer. We have award winning English pubs and Michelin starred restaurants through to street food, artisan producers and farmers' markets.

There are also arts centres, live music venues, theatre, galleries and museums located across the county.

Major events, from outdoor theatre to folk music festivals, and from hit musicals to international air shows, are hosted throughout the year.

Lancashire also has a great sporting tradition, an extensive range of exciting outdoor activities, great shopping - and much, much more - all on your doorstep.

Find out more at www.visitlancashire.com





Lancashire
Enterprise Partnership

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