

26 February 2021

**To: The Chair and Members of the
Local Enterprise Partnership (LEP)
Scrutiny Board**

Agenda

A meeting of the Local Enterprise Partnership (LEP) Scrutiny Board will be held as follows:

Date: Monday 8 March 2021
Time: 2.00 pm
Place: https://teams.microsoft.com/join/19%3ameeting_ZGViYTI1MTQtYzhINi00ZjE2LThkMiYtOTQ0MGE1NTUyYjVi%40thread.v2/0?context=%7b%22tid%22%3a%22ac4b077e-a758-4bc5-9465-35c192007704%22%2c%22oid%22%3a%222d96a7b8-fb4f-48a2-a14b-f8f782b4ea89%22%2c%22isBroadcastMeeting%22%3atrue%7d&btype=a&role=a

NB THERE WILL BE A PRE-MEETING OF THE BOARD AT 13:30pm VIA MICROSOFT TEAMS AND ALL MEMBERS ARE ENCOURAGED TO ATTEND

Dawn Roberts
Executive Director – Corporate, Customer and Community Services

Enquiries and requests for supporting papers to: Daniel Hamilton
Email: dhamilton3141@gmail.com
This agenda is available on request in alternative formats

MEMBERSHIP

County Council Members

Mr S Collins
Ms C Driver
Mrs S Evans
Mr K Hamilton
Mr S Haraldsen
Mr M Hawkins
Mr K Hitchen
Mr C Hogg
Mr J Lister
Mr B McEwan
Mr B Shirley
Mrs V Tarbitt
Mr B Wearing (Chair)
Mr M Wilson (Vice-Chair)

District Council Members

Allerdale Borough Council – Ms C Bell
Barrow Borough Council – Ms H Edwards
Carlisle City Council – Mr J Bainbridge
Copeland Borough Council – Vacancy
Eden District Council – Mrs M Robinson
South Lakeland District Council – Mr R Ashcroft

ACCESS TO INFORMATION

Agenda and Reports

Copies of the agenda and Part I reports are available for members of the public to inspect prior to the meeting. Copies will also be available at the meeting.

The agenda and Part I reports are also available on the County Council's website – www.cumbria.gov.uk

Background Papers

Requests for the background papers to the Part I reports, excluding those papers that contain exempt information, can be made to the Democratic Services Unit at the address overleaf between the hours of 9.00 am and 4.30 pm, Monday to Friday.

A G E N D A

PART 1: ITEMS LIKELY TO BE CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

1 ROLL CALL/APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2 MEMBERSHIP

To note any recent changes in membership.

3 DISCLOSURES OF INTEREST

Members are invited to disclose any disclosable pecuniary interest they have in any item on the agenda which comprises

- 1 Details of any employment, office, trade, profession or vocation carried on for profit or gain.
- 2 Details of any payment or provision of any other financial benefit (other than from the authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses. (This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
- 3 Details of any contract which is made between you (or a body in which you have a beneficial interest) and the authority
 - (a) Under which goods or services are to be provided or works are to be executed; and
 - (b) Which has not been fully discharged.
- 4 Details of any beneficial interest in land which is within the area of the authority.
- 5 Details of any licence (alone or jointly with others) to occupy land in the area of the authority for a month or longer.
- 6 Details of any tenancy where (to your knowledge)
 - (a) The landlord is the authority; and
 - (b) The tenant is a body in which you have a beneficial interest.

- 7 Details of any beneficial interest in securities of a body where
- (a) That body (to your knowledge) has a place of business or land in the area of the authority; and
 - (b) Either –
 - (i) The total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
 - (ii) If that share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

In addition, you must also disclose other non-pecuniary interests set out in the Code of Conduct where these have not already been registered.

Note

A “disclosable pecuniary interest” is an interest of a councillor or their partner (which means spouse or civil partner, a person with whom they are living as husband or wife, or a person with whom they are living as if they are civil partners).

4 EXCLUSION OF PRESS AND PUBLIC

To consider whether the press and public should be excluded from the meeting during consideration of any item on the agenda.

5 MINUTES

To agree the minutes of the previous meeting held on 10 September 2020 as an accurate and complete record.

(Pages 7 - 12)

6 RESTART, REBOOT, RETHINK - IMPLEMENTATION UPDATE

To consider a report from the Chief Executive – Cumbria LEP which provided an update on progress of implementation of the “Restart, Reboot, Rethink – A Plan for Cumbria’s Economic Recovery”.

(Pages 13 - 18)

7 EU EXIT TRANSITION SUPPORT

To a report from the Chief Executive – Cumbria LEP which provided an update on

issues relating to the end of the EU Transition period.

(Pages 19 - 40)

8 LEP OVERVIEW

To consider a report from the Chief Executive – Cumbria LEP which provided an update on key matters.

(Pages 41 - 140)

9 DATE AND TIME OF NEXT MEETING

The date and time of the next meeting of the Local Enterprise Partnership (LEP) Scrutiny Board is still to be confirmed.

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Local Enterprise Partnership (LEP) Scrutiny Board

2.00 pm, 10 September 2020

Present at the meeting:

County Councillors

Mr J Airey
Mr S Collins
Ms C Driver
Mrs S Evans
Mr S Haraldsen
Mr J Lister
Mr B McEwan
Mrs V Tarbitt
Mr B Wearing
Mr M Wilson

Borough Councillors

Ms H Edwards

In attendance:

Lord R Inglewood – Chair CLEP
Mrs J Lappin – Chief Executive CLEP
Mrs C Notman – Strategic Policy and Scrutiny Advisor CCC
Mr D Hamilton – Democratic Services CCC

21 ROLL CALL

Apologies were received from Mr J Bainbridge, Mr R Ashcroft, Ms C Bell, Mr P Dew, Mr K Hamilton, Mr M Hawkins, Mr C Hogg and Mr J Kane.

22 MEMBERSHIP

Members were informed that Mr P Dew had replaced Mr B Shirley and that Mr P Baker had been appointed to replace Mrs M Robinson.

23 DISCLOSURES OF INTEREST

There were no disclosures made on this occasion

24 EXCLUSION OF PRESS AND PUBLIC

RESOLVED that, the press and public not be excluded from the meeting during consideration of any items of business on the agenda.

25 MINUTES

RESOLVED that, the minutes of the previous meeting held on 3 March 2020 be agreed as an accurate and complete record

26 FUNDING LANDSCAPE OVERVIEW

Members considered the report from the Chief Executive – Cumbria LEP (CLEP) which presented an overview of the impact of the COVID-19 pandemic and detailed the work that CLEP had been doing to ensure that all available funding was made available to Cumbria businesses to support them through the economic challenges.

The Chief Executive – CLEP described how the CLEP had focused its initial activity on identifying and promoting interventions that could help to protect jobs. The main support intervention was the Government implemented *Coronavirus Job Retention Scheme (CJRS)*, which was introduced on 1 March 2020 to support those businesses that had their operations affected by COVID-19. Members heard that the CJRS was very widely taken up nationally, with Cumbria having a slightly higher take up at 34% in comparison with the national average of 32%. South Lakeland and Eden's rates for example were the highest rates in the country. It was said that the scheme had helpfully preserved jobs but could present serious risks once the programme closed at end of October.

Government also introduced the *Self Employed Income Support Scheme* to provide support to self-employed individuals with trading profits of up to £50,000 and who had been adversely affected by COVID-19. Data released by HMRC showed that there was estimated to be 24,800 potentially eligible self-employed people in Cumbria, of whom 18,200 (73%) had made claims by 30 June totalling £50.4m. This was an increase of 1,300 claims since May. The highest volume of claims came from residents in South Lakeland (5,000), which also had the highest take-up rate in Cumbria (75%). The lowest take-up rates were in Copeland (71%) and Eden (72%).

The mandatory closure of the retail, leisure and hospitality sector was particularly significant for Cumbria, given the structure of its economy and high rates of employment in these sectors. The business rates relief schemes were therefore helpful to Cumbrian businesses who received payments of £173.295m from a total initial allocation of £208.915m as of 23 August 2020. Payments across Local Authorities varied from 68% to 90% with the Cumbria-wide average being 83%.

The role of BERRG was highlighted in identifying business that had fallen through the cracks in terms of eligibility. Since then £10.076m had been made available for these Cumbrian businesses.

The Chief Executive – CLEP provided a brief overview of the additional grant support schemes which were made available and which included the following:-

- *Bounce Back Loan*
- *Coronavirus Business Interruption Loan Scheme*
- *Future Fund*
- *Coronavirus Large Business Interruption Loan Scheme*
- *Corporate Financing Facility*

The sector specific schemes for hospitality were also highlighted, these included:-

- *Eat Out to Help Out*
- *Reduced VAT*

The Chief Executive – CLEP then informed members that during the pandemic CLEP had continued to deliver the *Growth Deal* programme to ensure that all funding could be effectively spent by 31 March 2021, when the current funding period would formally end. The remaining funding available for 2020/21 was £11.695m for 2020/21 and plans were in place to ensure that all funding would be defrayed by 31 March 2021.

Members were informed that on 1 July 2020, CLEP had received notification from the Minister for Regional Growth and Local Government of an award of £10.5m for Cumbria from the Getting Building Fund. The accompanying press release included reference to the fund supporting '*Vertical Farming in Cumbria*, which would see the development of the world's largest integrated vertical farming solution'.

The representative of Barrow Borough Council explained the position regarding the A595 Grisebeck and the concerns raised over delays to the scheme. She stated that it was a widely supported scheme and asked that the scheme be pushed back until the Autumn spending review to ensure it was still able to go ahead.

The Chair of the CLEP confirmed the CLEP's commitment to the stated schemes and it was reiterated that money allocated would need to be spent and the scheme delivered by March 2021. Furthermore, regarding the A595 Members were informed that the CLEP had been awaiting on a Department of Transport (DfT) decision and that the Chief Executive gave assurances that pressure would be put upon the DfT for that decision at a forthcoming meeting.

With regards to the Barrow Marina Village, the Chief Executive – CLEP explained that the request for funding exceeded the total amount available. However, the scheme would remain on the CLEP's pipeline and discussion would continue with Homes England and Barrow Borough Council on the subject.

A discussion took place regarding the future possibility of more fiscal devolution and the significant efficiencies this would mean regarding the preparation of schemes.

A question was raised on the vertical farming solution proposed for Cumbria and whether there was a connection with the Newton Rigg land based college. The Chair – CLEP explained the concept and the benefits it could bring to the local area and the Chief Executive – CLEP explained that there was a connection to Newton Rigg in a wider agricultural sense but that it would not be a direct one. A discussion then took place regarding the ownership of the property at Newton Rigg and the partnership work taking place to ensure the preservation of traditional farming methods.

The LEP Scrutiny Board thanked the Chair and Chief Executive – CLEP for their report and noted the funding available to Cumbria to support economic recovery and growth.

27 RESTART, REBOOT, RETHINK - A PLAN FOR CUMBRIA'S ECONOMIC RECOVERY

Members considered the report from Chief Executive – CLEP which provided an update on the draft plan for Cumbria's economic recovery. The Chief Executive – CLEP began by explaining the formation of the Business and Economic Response and Recovery Group (BERRG). Cumbria LEP's Chief Executive was invited to Chair BERRG, once it was stood up in late March 2020.

BERRG's Terms of Reference included the requirement to produce Cumbria's economic recovery plan. A first draft of "Restart, Reboot, Rethink – A Plan for Cumbria's Economic Recovery" was presented to BERRG at its meeting on 11 August. The draft at Annex A of the report had been provided to the LEP Scrutiny Board for review and comment, to inform the next stage development of the Plan.

The Chief Executive – CLEP commented on the rising levels of unemployment in the county and the contraction of the economy which was 1.6% above the national average at the time. However, she also highlighted the many great opportunities for Cumbria as part of the 'rethink' initiative.

A question was asked regarding the declining work age population in Cumbria and a discussion took place in which it was suggested that what Cumbria needed was a more responsive and flexible skills system so as to reskill workers from different sectors and link opportunity to need.

Specific questions were then asked about the potential for Walney airport to be considered as a free port whereby members heard that guidance was still to be received from central government which would provide clear criteria on the implementation of free ports. It was then reinstated that if Walney met this criteria then it would be considered.

A discussion then took place regarding the structure of the draft document and whether the opportunities in offshore wind and nuclear could be better integrated to highlight Cumbria's position as a potential base for the manufacture of large precision components for both wind turbines and module reactors. The Chief Executive – CLEP informed members that the new draft document did better integrate the ideas under the *Diversify to Thrive* theme.

Members noted the report and agreed the priorities to be included in the next draft of the Recovery Plan.

28 DEEP DIVE - TRANSITIONS FOR YOUNG PEOPLE

Members considered a report from the Chief Executive – CLEP which provided information on how the CLEP supports the transition of young people from secondary education to the world of work through employment, Further and Higher Education.

The Chief Executive – CLEP explained that the LEP's People Employment and Skills Strategy Group (PESSG) was the thematic arm of the Cumbria LEP Board on all employment, education and skills related issues, providing advice and recommendations to the CLEP Board on future investment. At the beginning of the

COVID-19 pandemic, PESSG surveyed young people across Cumbria to develop a clear understanding of the challenges that they were facing. This survey generated over 700 responses, with the headline findings as follows:

- 90%+ indicated that COVID-19 had not caused them to re-think the next step in the learning journey
- further information was required to facilitate the next step in their learning journey
- concerns about having to complete work in time
- concern about delays in Apprenticeships
- Some respondents were concerned about going back to work or into College

Members were informed that in response to a question about what would be most helpful, young people requested:

- More communications and support about their learning programmes and next steps
- Clear guidance from learning providers
- Details on what opportunities would be available in September
- Support and encouragement with work
- Reassurance regarding next steps

Members raised concerns regarding access to post 16 education and asked to what extent transport is a barrier entry. This opened up into a discussion about higher and further education and transport provision. The Chief Executive – CLEP recognised the challenge inherent in Cumbria's geography but stated that the key was in partnership work to find new and innovative solutions.

The LEP Scrutiny Panel noted the work of Cumbria LEP in supporting the effective transition of young people into the next stage of their career journey.

The Chair of the Board then thanked the Chief Executive and the Chair of the Cumbria Local Enterprise Partnership.

29 DATE & TIME OF THE NEXT MEETING

The next meeting of the Local Enterprise Partnership (LEP) Scrutiny Board is due to take place on 8 March 2021.

The meeting ended 15:50pm

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RESTART, REBOOT, RETHINK – IMPLEMENTATION UPDATE

1. ISSUE

1.1 Updating LEP Scrutiny Board members on progress in implementing “Restart, Reboot, Rethink – A Plan for Cumbria’s Economic Recovery”

2. RECOMMENDATIONS

2.1 That the LEP Scrutiny Board note this report and raise any issues relating to the implementation of Restart, Reboot, Rethink.

3. BACKGROUND

3.1 At the previous LEP Scrutiny Board meeting members were updated on the development of Restart, Reboot, Rethink – A Plan for Cumbria’s Economic Recovery.” This plan was developed in August 2020 with implementation following immediately afterwards. Implementation has clearly been iterative given the nature of the pandemic and the fact that two further lockdowns and a tiering system have been in place since the document was written. However, despite this movement between response and recovery, CLEP has continued to make good progress in implementing the plan.

3.2 Since the Scrutiny Board last met, all of the Sectoral Panels have completed their recovery plans and are working on the implementation of these. CLEP has also been focusing efforts on the six rethink themes, as these will be critical to Cumbria’s long term recovery.

3.3 In developing the rethink themes it was important to be both ambitious and realistic, in that any proposals must be transformatory but also grounded in Cumbria’s existing economy. There might be one or two opportunities that are parachuted into an economy unexpectedly but most economic change happens because there are some fundamental existing components in place, which make the transformation logical and deliverable.

3.4 Therefore, this is the approach that has been adopted – identifying rethink priorities that are grounded in the reality of Cumbria’s unique polycentric economy and go with the grain of policy and investment. This led to the following 6 rethink themes:

- **Clean Energy Production** – a world-recognised heritage and expertise which provides the platform for significant future investment in energy generation.
- **Diversify to Thrive** – building on the pivoting that has taken place and moving it to the next level in terms of localisation of supply chains, movement into new markets and extending inward investment.
- **The New Visitor Experience** – capturing the changes in sustainable visitor behaviour by offering a world class experience to a wide range of markets.
- **The Future of Food** – enhancing Cumbria’s crop based food production to sit alongside its existing meat and dairy excellence.

- **Cumbria, The UK's Natural Capital** – promoting and exploiting the benefits created by having the most protected landscape in England.
- **The Way We Live, The Way We Work Now** - benefitting from the rethink that people are making about their lives and the way that they will live and work in the future.

Clean Energy Production

3.5 This is a significant opportunity for Cumbria given the county's clean energy production capacity and potential. The priority progressed over recent months has been developing Cumbria's response to the UKAEA's siting competition to identify a 100 hectare site to host the Spherical Tokamak for Energy Production (STEP) fusion facility. This process is likely to be highly competitive and as such CLEP and its partners want to ensure that Cumbria puts forward the strongest possible site.

3.6 A STEP 'launch' event took place on 16 December and on the back of this event, CLEP launched an Expression of Interest (Eoi) exercise to identify suitable sites, with landowners and site promoters invited to submit sites. This resulted in the submission of two sites – one nominated by Barrow Borough Council and the other by Copeland Borough Council.

3.7 In parallel, a tender specification was issued to assess the relative merits of any Eois; identify the strongest site in terms of meeting UKAEA's criteria; and then to work with the site promoter/landowner to develop their full application. Mott MacDonald was appointed following a competitive tendering process.

3.8 Moorside in Copeland was identified as the preferred site and as such CLEP and its consultants are now working with Copeland and wider partners to develop the strongest possible application to be submitted to UKAEA on 31 March 2021. CLEP is working with NW and Northern partners to secure support for the Cumbria submission.

3.9 Alongside work on the step application CLEP continues to focus on other clean energy opportunities including encouraging Small Modular Reactors (SMRs) to be sited in Cumbria; developing links with the successful bidder for lot 6 of the Round 4 leasing competition for offshore wind; and Developing the Hydrogen opportunity.

Diversify to Thrive

3.10 Much of CLEP's business support activity and EU Transition support has been focused on supporting businesses to diversify, pivot their business model, explore new markets etc in response to both the pandemic and EU Exit. In addition to this CLEP has heavily promoted the Buy Local theme and even ran a TV add on this.

3.11 However, one major activity under this theme was the development of Cumbria's Heart of the UK Freeport bid, which was submitted to government on 5 February 2021. This encompasses the Ports of Barrow and Workington alongside Carlisle Lake District Airport with Allerdale Borough Council, Barrow Borough

Council, Carlisle City Council and Cumbria County Council all confirming their support for the bid, alongside the 4 relevant constituency MPs.

3.12 CLEP has positioned its bid as one that offers something decidedly distinctive, being a multi-centre, multi-modal bid within a polycentric economy situated in the most rural county in England. It genuinely sits at the heart of Union connectivity, sharing a land border with Scotland and sea borders with both Northern Ireland and the Republic of Ireland. It is focused on our considerable strengths in clean energy and advanced manufacturing, meaning that it is both ambitious and realistic. It will also play an important role in the 'levelling up' agenda and CLEP's inclusive growth priorities, given that operations will be concentrated in geographies serving the areas with the greatest concentrations of deprivation.

3.13 The Freeport bidding process is likely to be hugely competitive given that only 10 Freeports are available, with three of these already committed to the Devolved Administrations. CLEP recognised the scale of the competition but felt that Cumbria should be ambitious and demonstrate its ability to develop a strong, persuasive proposal.

The New Visitor Experience

3.14 Progress on the implementation of the priorities for this theme have been significantly impacted upon as a result of the further two lockdown and the tiering arrangements. The latter of which resulted in a significant reduction in markets, given that most of the North was operating under heightened restrictions meaning that relatively few visitors were able to legitimately stay in Cumbria.

3.15 The focus has therefore been on developing a really strong visitor economy sectoral plan to be implemented as soon as activity can recommence and influencing the content of the Tourism Recovery Plan, which is expected to be announced as part of the budget package. The announcement of the road map on 22 February means that businesses can now start to plan for recommencing activity.

Future of Food

3.16 CLEP has continued to progress the Vertical Farming proposal, which intends to create a complimentary food plant based food offer in Cumbria. Support has also been provided to SRUC to develop their bids for Strength in Places and the Borderlands Dairy Initiative, in order to ensure that Cumbrian dairy farmers will benefit from these, if successful.

3.17 The farming community has not been as seriously affected by the pandemic as some other sectors and has actually experienced better prices over recent months. However, it is recognised that numerous challenges will face the sector due to the significant changes presented by the Environmental Bill, Agricultural Bill and the end of the Common Agricultural Policy. In recognition of these changes CLEP is undertaking a series of stakeholder consultations to identify the most significant challenges and to develop mitigations to address these.

3.18 Additionally, meetings have taken place with the next generation of farmers to identify the issues that they see as most relevant to the future of the sector and how

these can best be addressed. A small Working Group is developing an action plan to take forward the emerging proposals.

Cumbria, The UK's Natural Capital

3.19 The focus over recent months has been identifying the role that CLEP can legitimately play in relation to its economic *raison d'etre*, given the number of environmental bodies committed to taking forward this agenda.

3.20. This has resulted in agreement to prioritise the following actions:

<p>Area 1 Direct GVA effects - provisioning services</p>	<ul style="list-style-type: none"> • Action 1: Support improvements in skills, technology and organisation of activity on land to support long term sustainability of the Natural Capital assets (for instance Borderlands Inclusive Growth Deal Dairy Nexus/Centre of Excellence) [reducing farm runoff, re-using by-products, reducing use of imported feeds etc] • Action 2: Support investment in renewable energy generation using Natural Capital assets (wind, water and solar power).
<p>Area 2 Wider societal benefits or cost savings – regulating services</p>	<ul style="list-style-type: none"> • Action 3: Engage with United Utilities on a systematic basis to better understand the scope for business investment in this area (to indirectly contribute to increasing investment in soft engineering approaches to investing in Natural Capital to deliver greater economic and social resilience in the face of climate change (including the development of a consistent and focussed evidence base and case studies)
<p>Area 3 - Combined across all areas</p>	<ul style="list-style-type: none"> • Action 4: seek to build on the existing network of LEPs who engage with Defra to better share experience, ideas and solutions to working in a practical way with Natural Capital. In the longer term the ambition could be to create a clearing house/knowledge hub on Natural Capital and the economy in Cumbria and nationally to better co-ordinate research and initiatives and share learning and best practice, but this needs to be tested with other LEPs.

The Way We Live, The Way We Work Now

3.21 The pandemic has reinforced the importance of this theme as people rethink the way they live and the way they work, with increased recognition that you do not have to live where you work. The Your Future – come to Cumbria to live, work and invest - campaign had been rebooted once the initial lockdown was lifted. However, it had to be put back into abeyance following the introduction of the tiering system and subsequent lockdowns, given movement restrictions.

3.22 The marketing collateral is ready and will be relaunched once people are free to visit other areas of the country to explore the jobs and opportunities available to them.

3.23 CLEP continues to promote Cumbria to inward investors and recently there has been increased interest in relocating to Cumbria. This interest is being actively followed up.

3.24 Scrutiny Board members are invited to note this report and raise any issues on this.

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END OF THE EU TRANSITION PERIOD

1. ISSUE

1.1 Updating LEP Scrutiny Board members with issues relating to the end of the EU Transition period.

2. RECOMMENDATIONS

2.1 That the LEP Scrutiny Board note:

- a) the current economic projections in relation to EU Exit;
- b) the EU Exit Analysis provided at Annex A;
- c) the issues identified by businesses in relation to EU Exit;
- d) that CLEP is providing an EU transition support service to businesses; and
- e) that CLEP is completing further economic impact analysis work.

3. BACKGROUND

Monetary Policy Report

3.1 The Bank of England recently released its Monetary Policy Report for February 2021. This provides forecasts based upon the implementation of the Trade and Cooperation Agreement (TCA), which has been estimated using models and empirical relationships similar to those set out in EU withdrawal scenarios and monetary and financial stability. On the basis of these, and in comparison, to a frictionless arrangement, UK trade is projected to be around 10½% lower in the long run, and productivity and GDP around 3¼% lower. In the MPC's projections, around two thirds of the impact on GDP would have been felt by the end of the forecast period (end 2023). The estimates are very similar to those underlying recent MPC projections and therefore there remains a large degree of uncertainty around them.

3.2 CLEP's Economist and Senior Researcher are undertaking some further economic analysis to identify whether it is likely that Cumbria will experience similar impacts.

EU Exit Analysis

3.3 The CLEP Board agreed that once the time was right the EU Exit Analysis should be updated. This work was placed on hold until the outcome of the negotiations with the EU were concluded. Once the negotiations were concluded and the Trade and Cooperation Agreement (TCA) was agreed, an update of the EU Exit analysis was commissioned. A copy of the report is provided at Annex A.

3.4 This was produced by Stephen Nicol, Nicol Economics, and was presented to the Business and Economic Response and Recovery Group (BERRG) at its meeting on 12 January 2021, for comment. BERRG reviewed the document and at headline level agreed with the assessment within it. However, a question was raised about the

assessment of the labour supply implications for the visitor economy/tourism sector with representatives believing that these were potentially understated.

3.5 Members are invited to review the draft report and comment on it.

Business Issues

3.6 Businesses are reporting issues in navigating the new arrangements with Rules of Origin and VAT, causing particular challenges. The increased paperwork now involved in trading with the EU is resulting in time and cost implications for businesses, with some businesses finding that they are being expected to complete both the export and import paperwork, on behalf of the businesses that they are trading with.

3.7 Rules of Origin appears to be causing the most significant issues for businesses, with a number flagging serious concerns about this. One business reported that they recently attended an Institute of Export event, with over 60% of the companies attending saying that they were not confident in their understanding of the new rules, with this audience likely to be long established exporters.

3.8 One exporter working in the Defence industry, exports 82% of its product to 34 countries around the world and has been exporting since the 1970s. Their main concern is the huge potential administrative burden that this places on the business, whilst still facing the pressure of the COVID pandemic and the challenge of staying productive to be competitive in an international market. Customers are asking for rules of origin and to supply this they need full records of where items have come from down to component level. Requests have increased since the end of transition with UK and EU customers asking for details either of commodity code information or country of origin. The company has 52,596 inventory parts on their system and 17,929 sales parts on which they would need to complete the Rules of Origin review. The business is now looking at setting up a customs free warehouse but this is difficult given the complexity of the process and the other business challenges that they are facing.

3.9 Other manufacturing exporters have reported that they are amending their Bill of Materials to comply with new % rules, but it is only possible to do this if the parts are not complex and re-qualification is not required.

3.10 Smaller businesses increasingly appear to be avoiding trading with the EU and are either seeking out new suppliers or exploring new markets. This is positive in helping to strengthen more localised supply chains.

3.11 Businesses across a range of sectors are reporting issues relating to range and availability of stock – this ranges from opticians reporting limited range of frames to constructors identifying shortages on materials.

3.12 There are some challenges with moving goods, in particular around groupage loads, due to the implications of one small part of a consignment not having the compliant paperwork. The movement of hazardous goods is facing specific issues with licences being required for each EU country and in the case of Germany for each region. This has meant that some businesses have ceased this part of their

operations.

3.13 Over the last few weeks, issues relating to the complexities and costs associated with doing business in Northern Ireland have escalated. CLEP is trying to gain a better understanding as to why this issue has escalated locally only recently, when other areas have experienced issues for some weeks.

3.14 There are also specific sectoral issues that are affecting these sectors deeply, for example the shellfish industry. These issues are being considered at national level.

3.15 Members are invited to note the headline issues and to identify any specific issues that their local businesses are facing.

EU Transition Support

3.16 BEIS has provided funding to LEPs to deliver on specific EU Transition support to businesses within their area. CLEP has recruited a team to provide this support to our local businesses. The team is contacting businesses directly to see what additional support they need to help navigate the changes following the end of the transition period.

3.17 In addition to 1-2-1 support a series of targeted clinics are being delivered in line with the issues that businesses are flagging as being particularly challenging – Rules of Origin, VAT, Intellectual Property etc.

3.18 This funding support comes to an end on 31 March 2021 and as such it is important that Cumbrian businesses gain maximum benefit from this, in advance of that date.

Further Analysis Work

3.19 CLEP's Economist and Senior Researcher are undertaking further analysis to identify the impact of the end of the transition on businesses in a more quantified way. This work will be completed by 31 March 2021.

Updated EU Exit Analysis for Cumbria, January 2021

Contents

A.	Summary	4
B.	What now does EU Exit mean in practice?	8
C.	Business preparedness for EU Exit	12
D.	Medium to longer term impacts from EU Exit	18
E.	Likely sectoral impacts from EU Exit	19

A. Summary

This note updates the findings of the earlier analysis notes on EU Exit (we use the term EU Exit instead of Brexit throughout this note)¹ for Cumbria in the light of the most recent developments. In particular, it assesses the implications of the UK and EU **Trade and Cooperation Agreement** (TCA)² finally agreed in December 2020. This has now been ratified by the Heads of State of all EU countries and the UK Parliament (although it is still to be ratified by the EU Parliament). The note is based on a desk based review and data for the Cumbria Business Survey carried out in 2020.

The note focusses on the potential economic consequences of EU Exit on the Cumbria economy (and so does not cover any potential social or well-being impacts). The principal conclusions are set out below.

The new UK-EU Trade and Cooperation Agreement and post EU Exit relationships

The eventual agreement of the near 1,300 page TCA on the 24th December 2020 led to a collective sigh of relief from all business bodies in the UK. The alternative, moving to WTO trade terms, would have introduced significant tariffs and quotas to UK-EU trade. In the case of some agricultural exports to the EU (e.g. sheep and beef) the impact would have been severe.

However in spite of the TCA, as the UK has now left the EU's Custom Union and Single Market, this means that Cumbria's exporters and importers now face new **customs checks/ documentation, other red tape and further reporting and approval requirements**. These have added and will add to the cost of trading with the EU. Such costs and administrative requirements are likely to be more off-putting and difficult to deal with for smaller businesses.

¹ December 2018 and August 2019

² A useful assessment of the TCA is to be found on the [Institute of Government](#) web site and the [CBI Brexit Bulletin](#)

The end to freedom of movement and the introduction of the new points based migration regime for the UK will make **it significantly harder to recruit new workers from the EU**, especially in jobs paying less than £25,600. There will be new and, at times, complex processes for SMEs to employ non-UK workers as visa sponsors. Previous analyses had highlighted that access to EU migrant labour is a particularly important issue facing the tourism sector, food manufacturing and parts of the health and care sector in Cumbria.

Business preparedness

At a national level the evidence towards the end of 2020 was that the impact of Covid-19 and the uncertainty about the outcome of the trade negotiations with the EU were hampering business preparations. Many businesses were only partially prepared and some were not prepared at all. Generally smaller firms continued to be less well prepared than larger firms.

The latest evidence from the survey of Cumbria firms in the autumn of 2020 (carried out of course before it was clear that there would be a TCA) highlights that the direct impact of post-EU Exit trading arrangements is likely to be focused on a relatively small number of businesses (the c. 4% where sales to the EU were 10% or more of all sales).

Uncertainty about the EU exit was highlighted **as a significant barrier to performance by 25% of businesses**, but when surveyed this was a **less important barrier than the effects of Covid-19**, cashflow or other factors such as access to broadband. This of course reflects that fact that only a minority of businesses trade directly with the EU. The uncertainty was however much more important for larger firms generally (likely to be exporting and trading with the EU) and amongst Cumbria's farming sector and manufacturers.

In the short term (the next 12 months), those businesses anticipating a negative impact from EU Exit on their business outnumbered those expecting a positive impact 3 to 1; but in the longer term (two or more years), the proportions were evenly balanced. The majority of business saw the impact as neutral or could not assess the impact. The specific concerns that were most important were around tariffs, (no longer an issue as a result of the TCA) but also around regulations, standards and customs procedures (which are all areas where changes have occurred and challenges remain).

Despite these concerns only 2% of firms expect to be seeking specific advice on EU Exit.

Medium to longer term economic effects

The consensus of most economists is that even with a free trade agreement (FTA) (such as now been agreed with the EU) there is likely to be a **reduction in the medium to longer growth rate of the UK economy** as a result of EU Exit. This is because the close integration brought about by the Single Market and Customs Union with our largest trading partner has helped enhance UK growth.

There is, however, inevitably a considerable range of uncertainty about any such estimates. Also, to date there are no estimates specific to the exact parameters of recent TCA with the EU (which goes further than most FTAs).

The estimates of the longer term effects on the UK economy range from a reduction of 2% to 3% up to falls of 6% to 7% of GDP. It is important to stress that these are not estimates of direct falls in GDP but rather reductions on the future rate of growth of UK GDP over a 5 to 10 year period compared to a “no Brexit” scenario. The OBR has already “priced in” a UK-wide 4% reduction effect from EU Exit (with a free trade deal) in its central longer term economic forecasts for the UK.

It of course does not follow that these reductions will occur in Cumbria, although the performance of the Cumbrian economy is of course inexorably bound up with that of the UK economy.

Sectoral impacts in Cumbria

The previous conclusions about the medium to longer term vulnerability and exposure of Cumbria’s economy by sector to EU Exit have changed as a result of the TCA. We have re-assessed the potential impacts by sector in the light of the TCA and the new migration system and the greater time that businesses have had to prepare.

In the new assessment the potential scale of the impacts (or degree of “exposure”) have been **downgraded and the number of sectors where significant impacts will occur has been reduced.**

We assess that roughly £1.5bn³ (13% of the total) and around 45,000 to 50,000 jobs (19% of the total) fall in those sectors where the downside impacts could be medium/high or medium (**tourism, food, agriculture**). This is as a result of a mixture of impacts on migration/access to workers and the non-tariff barriers to trade.

There are number of sectors where there will be some medium to low impacts either as a result of non-tariff barriers to trade or labour supply issues. However, much will depend on the particular market focus and size of firms in terms of the importance of the issue and their ability to deal with it. For instance, larger scale manufacturers that already export to markets outside the EU should find it relatively straightforward to deal with the additional customs and regulatory requirements in most sector) as will most multi-national firms.

The rough estimate is that these medium to low impact sectors could account for around £2.6 billion of current economic activity and 55,000 to 60,000 jobs (both 22% of the Cumbria totals).

There will be specific firms in all sectors that will also have new opportunities as a result of EU Exit. Also in some in sectors overall not identified as likely to see major impacts specific firms may face new challenges. For instance, the TCA does not provide for the same levels of access to EU markets for **service sector** companies as those selling goods.

³ Note the GVA and jobs figures refer to 2016 data, but would be only very marginally changed by more recent data

Overall conclusions

The signing of the TCA now provides much needed clarity and certainty for Cumbrian businesses. It avoided potential cliff edge effects that could have been damaging for parts of the Cumbrian economy.

Nevertheless, there are now challenges faced by businesses from 2021 onwards as a result of all the ramifications of EU Exit.

B. What now does EU Exit mean in practice?

At the end of 2020 it finally became clear what EU Exit is likely to mean in practice, removing much (but not all) of the uncertainty.

Leaving the Single Market and Customs Union

The UK left the Single Market and the Customs Union at the end of 2020 after the end of the transition period. Rather than revert to WTO trading terms with the EU, the new 1259 page TCA sets out the parameters for the UK's relationship with the EU in trade and range of other matters. As far as the economy of Cumbria is concerned the key points are:

The UK has left both the Customs Union and the Single Market. As the EU press release on the TCA puts it the UK *"will no longer benefit from seamless access to the EU Single Market and Customs Union, or from EU policies and international agreements (including its free trade agreements with other third countries)"*.

The TCA critically ensures that **UK trade in goods with the EU** will be subject neither to tariffs nor quotas. This would have not been the case under a so-called "No Deal Brexit" if the UK had had to revert to WTO rules on trade with the EU. The EU is by far the largest market for UK goods (around half) so this is critical. For exporting (and importing) businesses in Cumbria this means that there will be no tariffs on imports⁴ from or exports to the EU. This is particularly important for some sectors which would otherwise have faced steep tariffs with the EU (especially agricultural products).

However, trade with the EU in goods will now face more "friction" from a mixture of basic customs checks and procedures and what economists call **non-tariff barriers** as:

- a) All exports to the EU will be subject to **customs formalities** from the 1st of January 2021 and will need to comply with the customs rules of the EU. The same will happen to EU imports into the UK but the UK Government have agreed a waiver for six months to ease the transition for businesses importing to the UK. The TCA provides for mutual recognition of Trusted Trader Schemes, that may allow for more streamlined customs procedures for eligible traders.

⁴ The UK had already set very low important tariffs as part of its so import tariff for goods from the EU would have mainly been set a zero of very low levels

- b) All UK imports into the EU must meet all EU standards and so will be subject to **regulatory checks and controls** for safety, health and other public policy purposes. This means that UK agri-food exporters will have to meet all EU animal, food and plant sanitary and phytosanitary import requirements and be subject to official controls carried out by Member States' authorities at border control.
- c) The "**rules of origin**" will apply to goods in order to qualify for preferential trade terms under the TCA (i.e. no tariffs). This means that the element of the product sold that is produced in the UK/EU will need to reach certain minimum levels to avoid tariffs. This is particularly important for car manufacturing, but is much less of an issue for those manufacturing sectors that are important to Cumbria.

The TCA contains provisions to try and reduce the practical cost and effect of these non-tariff barriers and customs administration – reflecting the fact that the UK is starting off from having operated within the Single Market for many decades.

The situation is different in respect of trade in services. UK service exporters will lose their automatic **right to offer services across the EU**. They may need to establish themselves in the EU to continue operating. They will need to comply with the host-country rules of each EU Member State. However, the TCA goes beyond many free trade agreements and makes provision for trade in services. The non-discrimination obligations of the TCA ensure that service suppliers or investors from the UK will be treated no less favourably than other EU operators in the EU, and vice-versa.

A key area not covered by the TCA relates to the **movement of business personal** in the EU (as there is no freedom of movement). This will make it harder for UK businesses to sell services abroad in the EU in person (e.g. maintenance contractors etc). Also UK qualifications will no longer be automatically recognised in the EU.

Although the UK will leave the European Atomic Energy Community (Euratom), the Single Market for trade in **nuclear materials and technology**, a separate agreement between Euratom and the UK on the uses of nuclear energy provides for wide-ranging cooperation on nuclear safety and uses of nuclear energy.

There was widespread welcome from business bodies that the agreement was finally reached, even if at the 11th hour and even if the scope was not as deep and wide as some had sought.

Box 1: Business group reaction to the TCA

"This will come as a huge relief to British business at a time when resilience is at an all-time low. But coming so late in the day it is vital that both sides take instant steps to keep trade moving and services flowing while firms adjust" CBI

"While firms will welcome the agreement of a new foundation for UK-EU trade, they are now faced with the gargantuan task of adapting to new arrangements with scarcely a week before they take effect", British Chambers of Commerce

"For business leaders, this Christmas gift is better late than never It provides a stable basis for the future relationship with our biggest market", Institute of Directors

"After such a torrid year, and during such a disrupted festive trading season, it's a huge relief to see negotiators finally strike a deal", Federation of Small Businesses

"The successful conclusion of a deal between the UK and EU is very positive news for British agriculture"
NFU

The level playing field

One of the key areas of difference between the UK and the EU was about the so-called "level playing field". This covers the extent to which the UK, as a very close trading partner with the EU, had to maintain the same or very similar rules and regulations as the EU. In practice the TCA means that:

The UK has agreed to at least **maintain the current standards** applicable in the key areas of labour and social standards, environment, and climate. The TCA states these cannot be lowered in any manner that affects trade or investment. However, the TCA does not require the UK to follow a process of "dynamic alignment" in the future which would have required it to change its current standards if the EU changed theirs.

In relation to State Aids the TCA sets out that neither the UK nor the EU can use "trade-distorting subsidies". However, the full EU State Aid regime will no longer apply in the UK which therefore can devise its own regime so long as it adheres to the "broad principles" set out in the TCA⁵. At present the new subsidy regime for the UK is yet to be determined. The implication is that until this is produced, we will need to operate within the **current EU State Aid regime**.

Ending of free movement

The UK now has a new [points-based migration regime](#)⁶ which applies equally to new EU and non-EU migrants. (Existing EU migrants already residing in the UK are treated differently and have the right to remain). There is no longer freedom of movement of EU nationals into the UK (and of course equally for UK nationals into the EU). In practical terms this means that it will be very difficult to fill a job earning less than £25,600 (or the "going rate for your job" if this is higher) via a migrant worker from the EU or elsewhere. In Cumbria in 2019 **around 40% of all full-time jobs were paid less than this level**. Earnings levels in Cumbria are around 5% below those of the UK so a lower proportion of jobs will be covered by this wage level than nationally.

However, there are **exemptions** for jobs in shortage occupations and for people aged under 26. It is possible to be paid between 70% and 90% of the usual going rate for your job so long as the actual salary is at least £20,480 per year.

For designated [skilled shortage occupations](#) it is possible to be paid as little as 80% of the going rate for that occupation (which might be less than £25,600 a year). These occupations currently cover skilled chefs, veterinarians and a range of other professional and scientific/technical occupations as well. There is a separate list of health and education

⁵ These are that it can be demonstrated that the subsidy : (1) a contribution to a well-defined objective of **public interest** (for example the green transition); (2) there is a need for state intervention to remedy a **market failure**; (3) is an **appropriate** measure; and (4) the "**proportionality**" of the subsidy, taking into account its negative effects on trade between the EU and UK

⁶ There are some exceptions

shortage occupations (including nurses but not care home staff) where it is possible to get a visa in theory if that occupation was paid less than £25,600.

For current and recent students (up to 2 years post-graduation) and young people under the age of 26 it is possible to earn 70% of the going rate for that occupation and still obtain a visa.

The first consequence is that EU nationals not resident in the UK who might have considered working in Cumbria, may view **working in the UK as less attractive** due to: (1) the costs of the visa; (2) the administration and bureaucracy involved in applying for a visa; and (3) the fact that other family members would not automatically be able to accompany the worker.

The second consequence is that the process of employing EU nationals will become much more **complex for many SMEs** that are not used to dealing with visas for workers. Across the UK there are the approximately 340,000 SMEs which currently employ EU nationals but often have little or no experience of recruiting from the rest of the world. The social care, food manufacturing and hospitality sectors are particularly exposed. The logistics sector is also reliant on EU labour, employing EU nationals as 13% of its staff.

C. Business preparedness for EU Exit

National level

At a **national level** surveys have repeatedly shown that smaller firms have tended to be unprepared for EU Exit. Business preparations for EU Exit generally have been hampered by: (1) the, in some cases, all-consuming **impact of Covid-19** during 2020; and (2) the **uncertainty** about the outcomes of the negotiations on a trade deal throughout 2020 (even though the need to prepare for some practical issues have been clear for some time)⁷.

In September 2019 the British Chamber of Commerce (BCC) reported that about two fifths of UK firms that trade internationally had not considered the impact of EU Exit on their business (i.e. a risk assessment) ahead of the end of the EU Exit transition period on 1 January 2021. Overall, those that trade internationally (63%) were far more likely to have carried out a risk assessment on the impact of EU Exit to their business than their counterparts that trade in the UK only (35%). By September 2020 the BCC found that around half of UK firms which trade internationally have completed appropriate risk assessments for EU Exit.

The BCC noted that "*political turbulence and ongoing uncertainty about the final outcome of the Brexit process is hampering business planning, making it impossible for firms to know what to prepare for*".

⁷ Whatever the result of the negotiations it has been the case that UK businesses trading with the EU need an Economic Operator Registration and Identification number (EORI), the UK Government automatically issued these to all VAT registered businesses in 2019, but not to non-VAT registered businesses; similarly firms have needed to either have in house capacity to handle Customs and Safety and Security Declarations or an agreement with third party suppliers

The Institute for Government⁸ reported that CBI had indicated in the summer of 2020 that in large part as a result of Covid-19 “preparations for the end of transition haven’t just stalled, they’ve gone backwards”.

The Bank of England Agents' report for Q4 2020 started that for manufacturers “preparations for new UK-EU trading arrangements among smaller companies may be less well advanced than among larger corporates. For example, small and medium-enterprises (SMEs) said that they have more stockbuilding left to do by the end of this year — possibly reflecting cash constraints. And a number of SMEs said they were planning to close their operations in order to avoid potential disruption in early January”.

In the November 2020 [Decision Makers Panel](#) the Bank noted that “businesses reported an increase in the level of preparedness for the end of the transition period with the EU. Excluding firms who do not trade with the EU, 6% reported that they were fully prepared, 62% were “as ready as they can be” (up from 55% in October), 27% were partially prepared and 4% were not all prepared.

Local level

There is some specific evidence on the current preparedness of businesses in **Cumbria** for EU Exit and the importance of EU Exit. This comes from preliminary analysis of the 2020 Cumbria Business Survey carried out at between October and December 2020 (based on an interim extract of around 1,700 responses⁹).

This analysis shows that the direct importance of EU Trade is focussed on a **small percentage of (larger) businesses** . The great majority of businesses responding (87%) made no sales to the EU at all, but for 12% of respondents, at least some of their sales are to the EU (note sales to overseas tourists were excluded from the definition)¹⁰. For 8% of respondents, EU sales make up 1-10% of their sales, for 2% of respondents EU sales make up 11-25% of their sales and for a very small proportion (1.6%) EU sales represent more than a quarter of their sales. The proportion who exported to the EU was similar to that reported in the 2015 Business Survey (15%). This emphasises that the trade impacts of EU Exit in Cumbria are likely to be focused on a relatively small number of businesses.

The latest (2019) data from HMRC¹¹ suggest that in Cumbria:

Around 950 Cumbrian businesses exported goods to the EU and 1,660 firms imported from EU.

In comparison, fewer businesses traded with non-EU countries, around 750 businesses exported to non-EU countries and 970 imported from non-EU countries (roughly 80% and 60% respectively of numbers trading with the EU).

⁸ “Preparing Brexit - The scale of the task left for UK business and government”, Joe Marshall et al, IfG Insight | July 2020

⁹ The data and the analysis kindly provided by Ginny Murphy of Cumbria County Council

¹⁰ According to HMRC data, 920 firms based in Cumbria exported to the EU 2016 (and 740 outside the EU) which represents 4.5% of total active business stock, which is above the overall UK rates of 3.6%

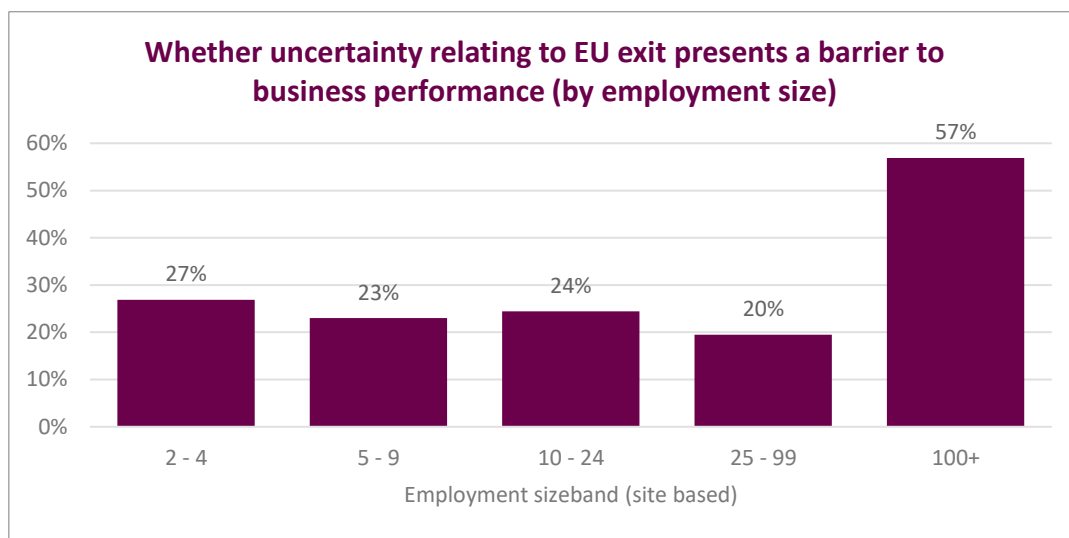
¹¹ This data also produces estimates of the value of goods exported and imported however this is far less reliable, this data suggest that the value of exports is great to non-EU countries than to EU countries (£800 million to EU and £933 million to non-EU countries). The two biggest EU export countries by value for Cumbria are Germany and France

There is some data on estimates for service exports (which are less reliable) these suggest that in 2017 around £510 million in services were exports to the EU and £565 million to non-EU markets.

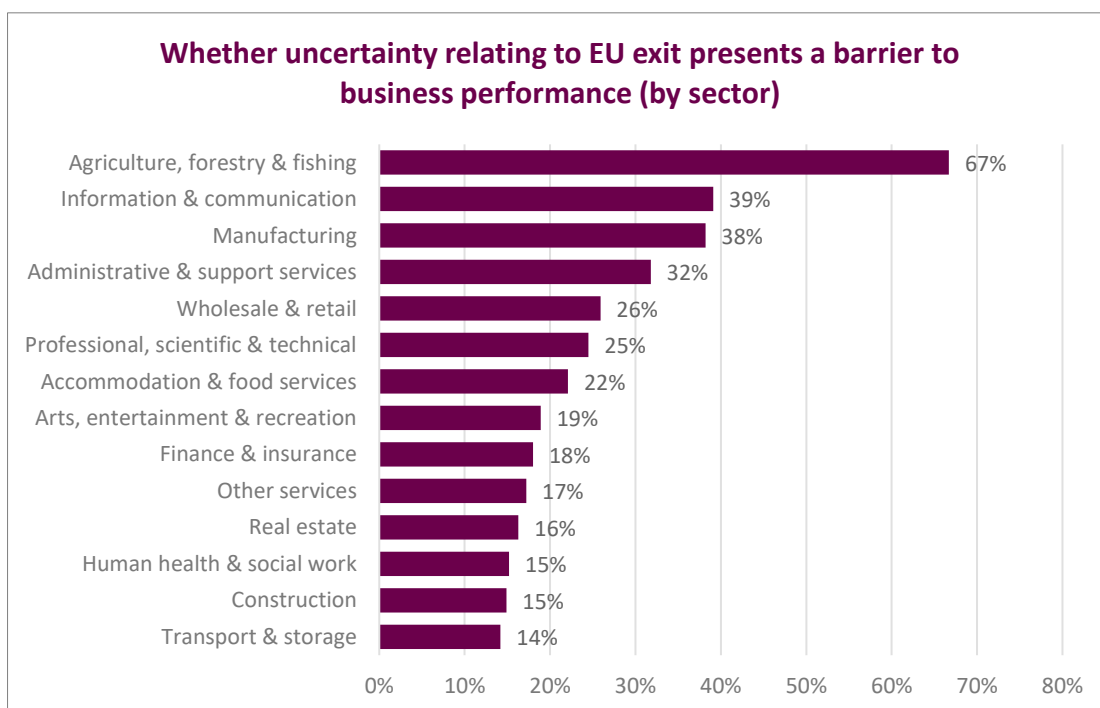
Barriers to Performance. Respondents to the survey were asked about a range of barriers to business performance and efficiency. In 2020 "uncertainty with regard to forward planning related to the UK's exit from the EU" was added as an option together with some Coronavirus options. It was the Coronavirus barriers that were most likely to be cited by businesses with availability of staff also a significant barrier. Overall, 25% of businesses surveyed indicated that uncertainty about the EU exit was a significant barrier to their performance (ranking above other more local issues such as parking, public transport, roads, business rates and rents).

The importance of uncertainty about EU exit was, as would be expected, far more important for **larger firms** who are more likely to export (over 100 employees).

The



sectors in which the importance of EU Exit uncertainty were concentrated were **farming, manufacturing and information & communication** (but only a small sample for the latter).

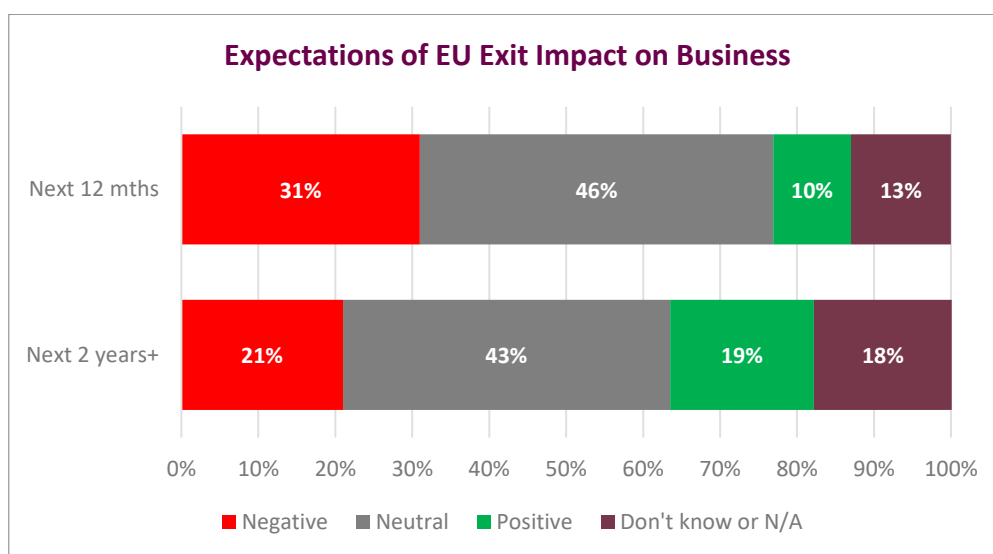


Businesses were asked what their expectations were about whether the **EU exit would have a positive or negative impact on their business** in the next 12 months and also in the medium term (2 years plus). Clearly when this question was asked businesses did not know if there would be an EU Exit deal or not. The key findings were that:

The highest proportion were neutral about both the short (46%) and medium term impact (43%).

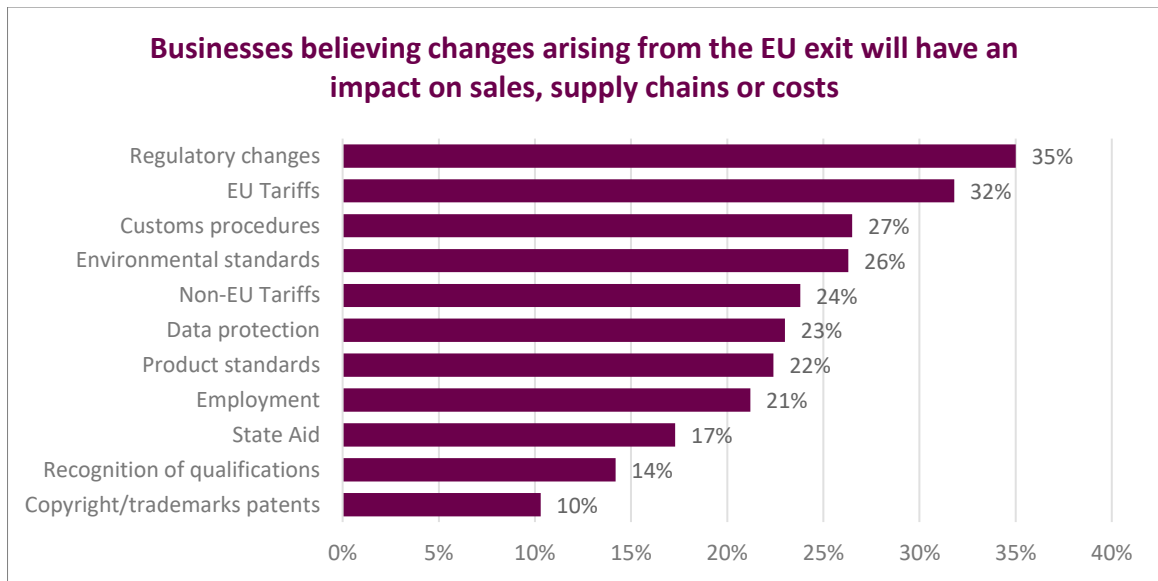
A third of respondents believed the **short term** impact would be negative (8% saying it would be very negative) and those seeing the short term impact as negative outnumbered those seeing as positive 3 to 1.

Over the **medium term**, the proportion of businesses anticipating negative impact reduced to 21% while the proportion expecting positive impact increased to 18% (i.e. these were roughly balanced).



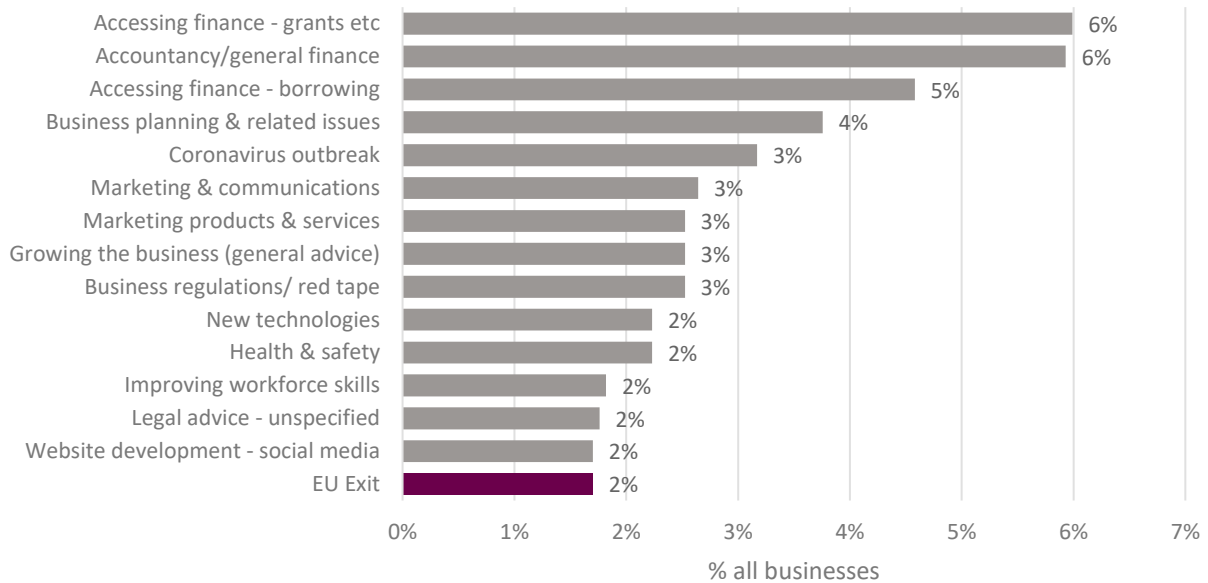
Businesses were also asked whether they believed specific potential changes arising from the EU exit would have an impact on their business's sales, supply chains or costs (they were not asked to specify whether this would be negative or positive). The highest proportion (35%) believed that regulatory changes would have an impact, closely followed by EU tariffs (32%). Other issues which a quarter or more of respondents believed would have an impact were potential changes to environmental standards (26%) and customs procedures (27%).

Of the issues of potential concern or impact, the concerns about EU (and non-EU) tariffs are fortunately no longer current as a result of the new TCA. However, concerns about many the other issues (such as regulation, environmental standards, customs procedures, product standards and employment) are, arguably, relatively unaffected by the TCA.



Despite the concerns expressed about the EU exit, relatively few businesses were expecting to seek external support or advice specifically on that topic – just 2% of all business (5% of those expecting to seek any type of support). However, some of the other areas of business support listed could potentially indirectly relate to issues arising from the EU exit.

Topics businesses expect to seek advice/support for in next 12 months



D. Medium to longer term impacts from EU Exit

Some work on the economic impact on EU Exit has addressed the longer term effects of changes in trade policy, access to markets and to migration. The consensus of this work is that even with a free trade agreement (FTA) (such as now been agreed with the EU) there is likely to be a reduction in the medium to longer growth rate of the UK economy as a result of EU Exit. This is because the close integration brought about by the Single Market and Customs Union has helped enhance UK growth. There is, however, inevitably a range of uncertainty about any such estimates and so no estimates have been produced for the exact parameters of recent new TCA with the EU (which goes further than most FTAs)

The OBR in 2018 noted that: *"studies of the impact of Brexit conclude that increased (tariff and non-tariff) trade barriers with the EU will leave output in the UK (and EU) lower than would otherwise have been the case. For the most part, these effects are likely to emerge gradually The limited literature on the adjustment process suggests that the full transition would take more than ten years, although the effect might be somewhat front-loaded in the earlier part of the period.... the scope for trade deals with non-EU countries to offset these effects is likely to be limited, as the affected trade flows are significantly smaller than UK-EU trade and these trade agreements generally reduce non-tariff barriers by significantly less than the EU's single market"*¹².

¹² Brexit and the OBR's forecasts, Discussion paper No. 3, OBR, October 2018

The review of estimates of longer term economic effects can be summarised as follows:

The OBR had already "priced in" to their long term central forecasts for the UK a "4% long-run loss of output associated with leaving the EU with a typical free trade agreement"¹³.

HM Treasury's earlier analysis of EU Exit scenarios suggested that the long term GDP effects of an "average FTA" on would be around a 5½% fall in UK per capita GDP UK GDP compared to remaining in the EU (i.e. no EU Exit) (with a range of around a fall of 4% to up to 7%)¹⁴. In this context it describes long term as being "interpreted as around 15 years after the UK's new relationship with the EU comes into effect" – or by the middle part of the next decade.

The IMF in 2018¹⁵ suggest that in a more "benign FTA scenario, output falls by between about 2½ and 4% relative to continued EU membership in the long run".

The UK in a Changing Europe report on the likely elements of the EU Exit deal (similar to what has now been negotiated) assessed the long term impact on GDP per capita (under optimistic assumptions) as being around 2.3%¹⁶.

Therefore the estimates of the longer term effects range from reductions of 2% to 3% in GDP up to reductions of 6% to 7% of GDP. It is important to stress that these estimates are not of direct falls in GDP compared to now, but reductions in the future size of the UK economy and so the future rate of growth of UK GDP over a 5 to 10 year period compared to a no EU Exit scenario.

E. Likely sectoral impacts from EU Exit

The two previous EU Exit impact assessments were produced before the impact of Covid-19 on the world, UK and Cumbria economies. As the previous section shows, for most businesses in Cumbria the **effects of Covid-19 are a more pressing concern** for their business than EU Exit.

The December 2018 EU Exit Analysis focussed on assessing the degree of "exposure" of the Cumbria economy overall and in its different sectors to EU Exit in the medium to longer term¹⁷ as a result of the:

The **direct** impacts of EU Exit would be caused by impacts on market access to the EU, by the availability of EU labour in Cumbria in what is already a very tight labour market in most areas and as a result of important other links to the EU (most notably in the agriculture sector).

The **indirect** impacts of EU Exit on Cumbria (via effects on the rest of the UK economy) which could be as significant as the direct effects on sales and labour.

The assessed degree of **direct exposure** of the Cumbrian economy to EU Exit varied widely by sector and within sector by location and firm. The previous research noted that national

¹³ Annex B Brexit Scenarios in "Economic and fiscal outlook", OBR, November 2020

¹⁴ "EU Exit: Long-term economic analysis, HM Treasury, November 2018

¹⁵ IMF Country Report No. 18/317, United Kingdom Selected Issues, December 2018

¹⁶ The economic impact of Boris Johnson's Brexit proposals, The UK in a Changing Europe, October 2019

¹⁷ At the time there was an expectation that there would be at least a 2 year transition period from March 2019 to March 2021 during which little would change – so the short term effects would have been relatively limited

studies applied to Cumbria can, and have given, quite misleading results because of the particular structure of our economy.

We have updated the assessment of the overall exposure of the Cumbria economy to future changes as a result of EU Exit in Figure 1 below (we now talk about “impacts” as opposed to “exposure” given that there is clarity on what EU Exit means). This is based on the following assessment:

As a result of the TCA no sector now falls into the previous “high” category (this had been 13% of GVA and 19% of jobs). The new “**medium to high**” category only applies to the tourism sector¹⁸. This had previously been identified as facing a “high” exposure as a result of the impact of EU Exit on access to labour. Access to labour issues, once the sector picks up post Covid-19, will still remain. However, there have been some changes to the new migration system (such as work visas for EU students and ex-students) that could improve the access to labour and the sector has had more time to adjust. We therefore deem the impacts as “medium/high”.

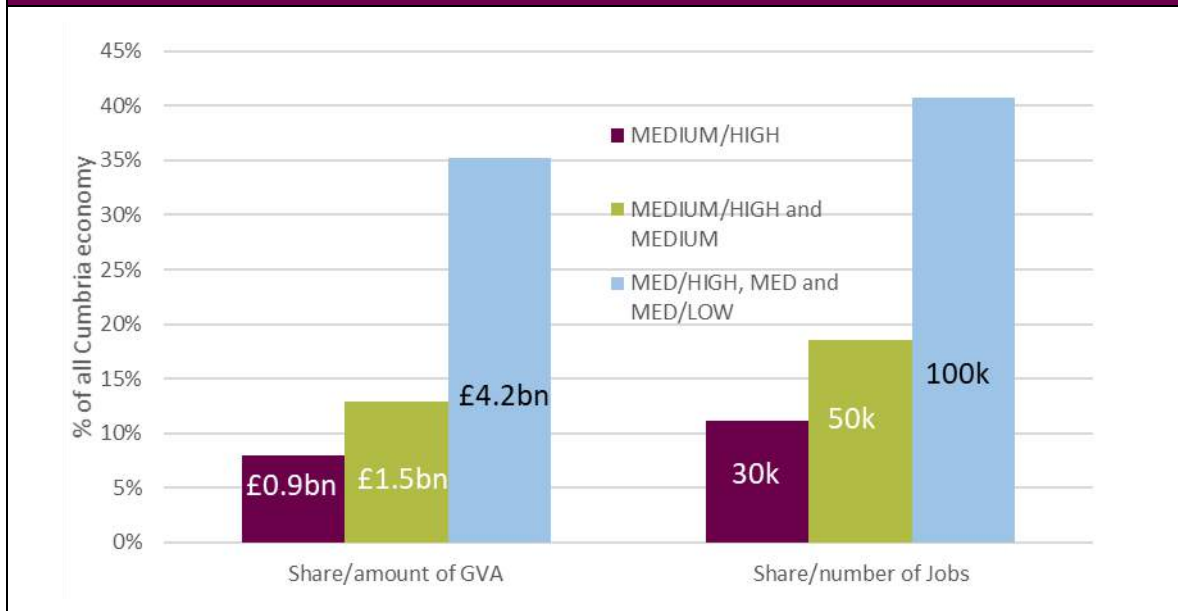
It is also the case that the sector may face some opportunities from increased domestic tourism post EU Exit (as it may become marginally more costly to travel to the EU for holidays).

The next category is “**medium**” impact. These are sectors where even as result of the TCA there are new non-tariff barriers and cost of trading with the EU as a result of regulatory requirements and checks. These sectors are agriculture and food manufacturing. In both cases these sectors face enhanced regulatory checks to access the EU’s Single Market. The impact of a no deal EU Exit would have been very serious particularly for agriculture, but nevertheless there are some increased costs of trading with the EU under the TCA.

Finally, there are number of sectors where the impacts are “**medium to low**”. These are sectors impacted by access to workers (health and particularly social care), new regulations and checks (transport) and most manufacturing sectors. Here the effects will vary from firm to firm and specific sector to sector. The assessment now, post TCA, is more on relatively lower rather than medium impacts.

¹⁸ Note: this is based on the direct impact on GVA and jobs of tourism spend in Cumbria

Figure 1: Share of Cumbria's economy in terms of GVA and jobs by degree of medium to longer term impacts of EU Exit, updated January 2021



Source: EU Exit Analysis, January 2021. Note: jobs impacts rounded to the nearest 10,000

Table 1: Potential sectoral impacts of EU Exit in Cumbria

Sector	Impact	Comments
Tourism	MEDIUM to HIGH	Previous reports highlighted tourism as vulnerable to the impact of EU Exit as a result of the high proportion of hospitality sector staff from the EU and the impact of a new points based migration regime and salary cap that could worsen previous recruitment difficulties. This fundamental issues remains, although as far as the sector is concerned at present the impact of Covid-19 is far more serious.
Farming Food	MEDIUM MEDIUM	There has been increased focus recently on EU Exit impacts on this sector in part because of the just-in-time and perishable nature of the products meaning it is particularly vulnerable to disruption in transport, supply chains and is also subject to significant degree of standards and regulatory requirements within the EU. The TCA means that exports to the EU will still need to comply with EU laws in this area. Sanitary and phytosanitary (SPS) border controls involve the most extensive checks, with specialist paperwork and frequent physical inspections required on products of animal origin. This UK-EU deal sets a general aim to keeping the frequency of checks to a minimum but does not remove the need for them. The UK has not achieved its ambition of agreeing an equivalence mechanism for SPS measures (in other words the UK SPS regime will not automatically passport to the EU this means agri-food traders will incur extra costs on GB-EU trade. Compared to a no deal EU Exit with high tariffs on exports to the EU the TCA is very welcome.

		<p>However, there will be some longer term impacts on the costs of trade and so the likely prices that Cumbria farmers and foods suppliers will get for any exports to the EU.</p> <p>The end of EU farm payments is being replaced by a new UK level system which is likely to create winners and losers within the farming sector.</p>
Manufacturing	MEDIUM to LOW	<p>The effects will be felt largely in those sectors with significant sales to the EU. The effect of the TCA is to remove the danger of tariffs on exports to the EU. However, as noted earlier it will add to the friction of trade.</p> <p>The main concern here is amongst those smaller businesses that export where, many may not have even made basic preparations for the new export regimes.</p> <p>Some key parts of our manufacturing base linked to nuclear and shipbuilding (and associated supply chains) are, however, relatively insulated against the direct effects of EU Exit. The agreement between the UK and EURATOM appears to secure the ability for our nuclear sector businesses to operate in the EU.</p>
Transport	MEDIUM to LOW	<p>This sector, or at least the part of the sector involved in transport to and from the EU, faces short term disruption.</p>
Health and social care	MEDIUM to LOW	<p>The main direct longer term impact of EU Exit is likely to be on the ability to attract and retain staff. Here where businesses have already faced challenges in recruiting, EU Exit is likely to exacerbate these issues and lead to more competition from across the UK for staff, thus adding to a challenge that already exists and was growing anyway.</p>

LEP OVERVIEW

1. ISSUE

1.1 Updating LEP Scrutiny Board's on key matters related to the Cumbria LEP.

2. RECOMMENDATIONS

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

3. BACKGROUND

Introduction

3.1 Since its inception the LEP Scrutiny Board has taken a close interest in all aspects of CLEP's business, under the three headings considered by government – governance, strategy and delivery. This report provides an overview on each of these themes alongside a summary of CLEP's financial position.

Financial Position

2020/21 Outturn

3.2 During the latter half of the year CLEP received a further two contracts from BEIS – Peer to Peer Networks and EU Transition funding. However, the impact of these on the bottom line was neutral as the income needed to be fully defrayed on expenditure. This means that the forecast outturn for year is projected to be an operating deficit of £152,843 compared with that projected at the outset of the year of £148,252 deficit. It is anticipated that this operating deficit will be further reduced in the final six weeks of operations. Members will wish to be assured that the deficit was planned and was seen as part of the development of the organisation.

3.3 The currently projected deficit would result in a carryover of income and expenditure reserves into 2021/22 of £226,006. This in addition to the restricted reserves of £331,583.

2021/2022 Provisional Budget

3.4 The CLEP Board has informally considered a provisional budget for the 2021/22 financial year, with the majority of the income within this now confirmed, subject to contract. This provisional budget results in a modest operating surplus of £27,734 for the financial year. The budget will now be firmed up as further income lines are confirmed.

Growth Deal Funding

3.5 The Growth Deal programme concludes on 31 March 2021 with all future capital funding being routed via other funding programmes including the Levelling Up Fund. These new capital funding programmes will be through open bidding processes and as such LEPs will not hold the funding for these programmes.

Getting Building Fund

3.6 Government provided a £10.5million allocation for this new capital programme which needed to be spent by 31 March 2022. CLEP put forward two projects for the programme - A595 Bothel and the Vertical Farming project. The £5million for the A595 Bothel scheme has been financially committed, with work on finalising the position on the £5.5million Vertical Farming project continuing. Contingency planning is taking place to ensure that Cumbria can spend the remaining £5.5million of funding by 31 March 2022, should this be necessary.

Business Support Programmes

3.7 It is anticipated that business support programmes will be an increasing focus on CLEP's activities going forward, in order to support and advise business recovery and growth. In the final half of the year CLEP has delivered three programmes providing direct support to businesses.

Governance

Annual Performance Review 2020/21

3.8 The Annual Performance Review (APR) of LEPs takes place annually by government, with the focus on three themes of **Governance, Delivery** and **Strategic Impact**. Delivery now encompasses Local Growth Fund (LGF), Getting Building Fund (GBF), Enterprise Zones and other programmes.

3.9 This year the process has been streamlined to reflect the exceptional year to date. This approach has resulted in a move away from a marking (Exceptional to Inadequate) to an outcomes-based approach with findings of "met" and "action needed."

3.10 CLEP's APR session took place on 11 February 2021, with CLEP being advised in advance that provisional markings of met had been provided for all three themes.

Peer Review

3.11 The LEPs, following consultation with government, agreed to introduced peer review activity across the network in 2019/20. Last year CLEP was paired with Coventry Warwickshire LEP and had a productive session to share best practice and experience and also to explore approaches to issues of common interest.

3.12 This year each LEP has been paired with a new peer with CLEP now working with Stoke-on-Trent and Staffordshire LEP. The session is scheduled to take place on 9 March 2021, with the focus being on the impact of COVID 19 and actions taken to address response and recovery.

CLEP Deputy Chair

3.13 CLEP's Deputy Chair, Jim Jackson, is stepping down in May 2021 and as such the selection process is underway to identify the private sector Board member

to replace him. The ballot closes on 5 March 2021 and as such members will be advised of the outcome at the Scrutiny Board meeting.

Strategy

Local Skills Report

3.14 CLEP's People, Employment and Skills Strategy Group (PESSG) in its role as the Skills Advisory Panel for Cumbria is developing the Local Skills Report, which will set out Cumbria's unique skills landscape, the progress made on the work programme and other skills-related activities, the successes and challenges encountered and the future skills priorities and plans.

3.15 The Local Skills Reports will influence the development of a skills offer that meets the local skills needs of employers and residents as well as feeding intelligence to Government and the national Skills and Productivity Board (SPB).

3.16 The report will set out the original skills priorities identified by PESSG and progress in addressing these priorities. It will also identify those skills priorities adopted and acted upon during the pandemic and will align with the plan for Cumbria's Restart, Reboot, Rethink recovery plan. It will also provide an opportunity to showcase the range and impact of innovative, high quality, responsive skills programmes and initiatives across the County.

3.17 A consultation plan is being developed to ensure that all partners have an opportunity to contribute to the plan, prior to its finalisation.

Digital Strategy

3.18 A Task and Finish Group has been formed to refine and finalise the Digital Strategy. A sharper, better presented document was provided to the Task and Finish Group, which received further helpful development comments. A further revision to the strategy is being prepared and this will be subject to consultation across CLEP's governance structure, initially in correspondence and subsequently with a wider partnership event.

Export Plan

3.19 The Department of International Trade (DIT) is supporting CLEP with funding to support export development activity in Cumbria. In order to take forward this work DIT and CLEP jointly recruited an Export Manager to develop an Export Plan for Cumbria, with Mickledore Ltd appointed to support the development of this. The plan will support the delivery of the export specific elements of the CLEP's Internationalisation Strategy.

3.20 The Export Plan is intended to provide a practical series of steps to maximise the effectiveness of export support activities. The purpose of the plan is to improve the overall export performance of the Cumbrian economy. There is a clear focus on additionality and ensuring that existing activity is not duplicated and that this does not support activity that would take place anyway. Research was carried out throughout January, with the Plan due to be completed in early March.

3.21 A marketing/communication plan has been launched to the business community in Cumbria, outlining the services available from the DIT to help them plan for exporting. This could be from 10 hours of webinar training courses to grants that can be used to support market research or enabling businesses to get their website ready for trading in the global marketplace.

Consultations

House of Commons Treasury Committee - Call for Evidence on Changes to the Green Book

3.22 CLEP prepared a response to the Treasury Committee's call for evidence on changes to the Green Book, on behalf of the LEP Network. This proposes 5 recommendations for Government:

- *Recommendation 1* – To be clear on the relevant 'unit of place' over which costs and benefits should be assessed in designing new programmes, for example the UK Shared Prosperity Fund and Levelling Up Fund.
- *Recommendation 2* – to be much clearer how place based impacts are to be taken into account in programmes without a specific spatial focus but with major spatial implications e.g. the roads programme.
- *Recommendation 3* – to clarify how to use the employment multiplier values put forward in the revised Green Book at different spatial levels.
- *Recommendation 4* – to consider adding supplementary guidance to the Green Book or ensuring consistent cross departmental guidance on measuring jobs and on the longevity of different forms of interventions.
- *Recommendation 5* – to define what it means by 'levelling up', what metrics should be used to assess success/ contribution to this objective and set appropriate targets.

3.23 A copy of the draft response is available on request.

Delivery

3.24 CLEP is currently engaged in a significant amount of delivery activity including leading the Business and Economic Response and Recovery Group (BERRG) of the Local Resilience Forum. Therefore, members are invited to identify any issues that they would like to explore further under this agenda item. The End of Year Reports and Annual Delivery Plan provide a sense of the activity undertaken, alongside the 2020 Annual Report.

End of Year Report 2019/20

3.25 The pandemic interrupted the normal timelines for the production of the End of Year Report 2019/20, with government not initially commissioning this. This was

requested subsequently and a copy of this is provided at Annex A for members consideration.

Annual Delivery Plan 2020/21

3.26 The Annual Delivery Plan 2020/21 was also commissioned late in the year. Due to the hiatus in the approval of Local Industrial Strategies by government, the Annual Delivery Plan remains light touch and high level. A copy of the document is provided at Annex B for members consideration.

Annual Report 2020

3.27 At each Annual General Meeting, CLEP issues its Annual Report for that calendar year. This year the AGM was an on-line event and as such the issue of the Annual Report has also been issued electronically. A copy is provided at Annex C, for members consideration.

3.28 Members are invited to review this report and raise any issues in relation to this.

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CLEP END YEAR REPORT

2019-20



CUMBRIA
LOCAL
ENTERPRISE
PARTNERSHIP



CONTENT

1. INTRODUCTION	4
2. STRATEGY	4
3. GOVERNANCE	6
4. DEVELOPMENT OF STAFF AND CAPABILITIES OF CLEP	8
5. MULTI-LEP AND WORKING OUTSIDE CUMBRIA	8
6. LOCAL GROWTH FUND ACTIVITY	10
7. OTHER FUNDING OR GROWTH PROGRAMMES	14



SUMMARY OF ACHIEVEMENTS IN 2019/2020

- 1) Embedding new Local Industrial Strategy into governance structures and LEP ways of working.
- 2) Successful mobilisation of CLEP Strategy Groups and Sector Panels to drive forward the delivery of the LIS
- 3) Successful recruitment and secondment process to fill the roles to create a CLEP team that meets the requirements of "Strengthened Local Enterprise Partnerships".
- 4) Achievement of strong assessment in the government's Annual Performance Review for 2019/20 with "exceptional" for our governance arrangements.
- 5) Successful first year of operation of CLEP as a company limited by guarantee with sound systems and processes for delivering its business
- 6) Achievement of spend allocation for Local Growth Fund spend and development of a robust pipeline to use full allocation by the end of 2020/21.
- 7) Establishing CLEP's internal Finance, Audit and Resource Committee to ensure that CLEP's revenue finances were managed effectively and in line with the requirements of Companies House.
- 8) During the year CLEP also:
 - Supported the development of the new terminal and commencement of air passengers services from Carlisle Airport
 - Delivered one of the best performing Careers Hub underpinned by an effective Careers and Enterprise programme
 - Effectively established arrangements to respond to the economic implications of COVID-19
 - Launched the Your Future and Our Future campaigns promoting Cumbria as a great place to live, work and invest
 - Launched Cumbria's Futures Forum to make sure that the voices of younger people inform our activity
 - Contributed effectively to partnership working both within and outside of Cumbria
 - Met government's gender equality milestone for Board membership



1. INTRODUCTION

- 1.1 This End of Year Report for 2019-20 has been produced to meet the requirements of government. It reflects back on CLEP's activity during 2019/20.
- 1.2 The End of Year Report (EYR) is structured around the three themes of the Annual Performance Review – Strategy, Governance and Delivery – with the focus of this report being primarily on the delivery aspects of all funded programmes and activity. This structure has been developed by CLEP for our formal Annual Delivery Plan.

2. STRATEGY

- 2.1 CLEP published its draft Local Industrial Strategy (LIS) in March 2019. During 2019/20 the LEP embarked on embedding the LIS and its objectives in its approach to delivery and governance.

Developing the LIS

- 2.2 Following submission of the draft LIS to government at the end of March 2019, CLEP engaged with government during 2019/20 on the draft LIS. We sought feedback from government and worked with departments on the various policy asks in the LIS. The LIS still needs to be agreed with government, and whilst awaiting agreement CLEP has continued to respond to requests and feedback from government when required, including providing updated logic chains.
- 2.3 Although the LIS has not been 'signed off' by government, CLEP and partners are using the LIS as the economic development strategy for Cumbria and our whole governance and delivery structure has been organised around the themes in the LIS. The LIS is now fully embedded in our processes and is the prism through which all strategic decisions are taken and project funding requests assessed. Part 2 of CLEP's Local Assurance Framework provides full details of the systems and processes for project prioritisation and investment decisions.

Developing the LIS Evidence base

- 2.4 During 2019/20 CLEP worked with government and responded to questions and comments on the LIS evidence base. Our evidence base is a live document that is updated as new evidence is produced. The evidence base went through several iterations during the summer of 2019 in response to feedback from government economists and statisticians across MHCLG, Defra, BEIS, DCMS and ONS and as new data become available. The LIS evidence base was published by CLEP on our web site in September 2019.
- 2.5 The work on the LIS evidence base identified two main gaps in the evidence which have been filled during 2019/20:
 - A comprehensive and consistent review of sites and premises supply and demand across Cumbria. In July 2019, CLEP, Cumbria County Council, the District Councils and the LDNPA jointly commissioned Lambert Smith Hampton to produce an Employment Sites and Premises Study for Cumbria. This was completed at the end of 2019/20, with a view to publication in 2020/21.

- A more detailed analysis of Cumbria's innovation eco-system. Lancaster University with support from the University of Cumbria was commissioned at the end of 2018/19 to carry out research into the innovation eco-system in part funded by the ESRC Impact Acceleration Accounts. A Phase 1 report was completed in October 2019 and work started on Phase 2.



Work on other strategies and consultations

2.6 During 2019/20 CLEP and partners started work on the development of other important “sister” strategies to the LIS.

- A new **Creative and Cultural Strategy** led by CLEP's Creative and Cultural Sector Panel. This will cover what is required to promote and develop the existing exceptional arts and cultural offer and to encourage further growth in the creative industries. This builds on a key strand in the LIS about the role of culture in helping develop our places to attract and retain talent.
- An **Internationalisation Strategy**. The LIS identified that Cumbria was not maximising its trade and investment opportunities as effectively as it might and CLEP commenced the development of an Internationalisation Strategy in autumn 2019. This strategy will set out how CLEP and its partners across Cumbria could increase exports from Cumbria and attract a greater level of Foreign Direct Investment (FDI) and will be published in 2020/21.
- **Digital Strategy** drawing together the county-wide improvement plans and upgrades to deliver better digital infrastructure, enhanced business services, the creation of a world class digital skills offer, more efficient and inclusive public services and digital inclusion, so that nobody is left behind.
- **Housing Delivery Strategy** covering how CLEP and partners working collectively could support the delivery of Cumbria's strategic housing priorities

2.7 CLEP made substantive **contributions to important national consultations** that impact on Cumbria to ensure that Cumbria's voice is heard and can influence national policy. These contributions included:

- The BEIS Select Committee inquiry into regional investment and growth
- The Treasury Select Committee inquiry into regional imbalances in the UK economy
- The Dimbleby national review of food policy and strategy
- The BEIS consultation on the Regulated Asset Base for new nuclear build
- The Migration Advisory Committee call for evidence on Salary Threshold and Points-Based Migration System

3. GOVERNANCE

- 3.1 The changes to governance introduced in 2018/2019 were fully embedded during 2019/20 and fully up and running by July 2019. There have been regular meetings of the five Strategy Groups and nine Sector Panels who are tasked with overseeing the development and implementation of LIS priorities.
- 3.2 The CLEP team worked hard to develop the specific evidence base, a strong membership and a forward work programme for the nine Sector Panels during 2019/20. Some of these, such as the creative and cultural panel, were new creations. At the start of 2019/20 CLEP had a nuclear sector panel, during 2019/20 the work of this sector panel was expanded to encompass a wider clean growth agenda.
- 3.3 CLEP undertook a review of the new governance arrangements in September 2019. Following this review, the decision reached was to retain the governance structure as implemented in 2018/19.

Board development

- 3.4 CLEP appointed a new CLEP Deputy Chair in May 2019. CLEP has successfully recruited to achieve full Board complement (20 Board members). In September 2019 two new Board members were recruited for the September meeting and successfully inducted. Importantly, the gender equality target was met ahead of government's milestone date.

Scrutiny and AGM

- 3.5 During 2019/20 there was further development of a more comprehensive and accessible Annual Report to support the Annual General Meeting (AGM). CLEP developed a revised format for the September 2019 AGM. This was a successful event, with a strong focus on the new LIS, attended by over 100 stakeholders
- 3.6 During 2019/20 the work of the new LEP Scrutiny Board started. This is responsible for scrutinising CLEP's activity going forward. This is local authority led with the County Council and all six District Councils involved in scrutinising the LEP and its activities. This is important in delivering our commitment to achieve the highest standards of governance, transparency and accountability.
- 3.7 The format and terms of reference of the new local-authority led LEP Scrutiny Board, were agreed at the Accountable Body's annual meeting on 11 April 2019. It held its development day on 23 August 2019 with CLEP's Chair and Chief Executive providing a briefing presentation for members. Following this briefing, members developed the agenda for the first formal LEP Scrutiny Board meeting. This Board has been established with 14 voting County Council members and 6 voting co-opted members from the District Councils. Its sole remit is CLEP Scrutiny and it will meet twice per year, with the Accountable Body servicing the Committee.
- 3.8 The two 2019/20 meetings took place on:
 - 16 September 2019 – focussing on the 2019/20 Delivery Plan and the LIS work plan for people, employment and skills
 - 3 March 2020 – focussing on progress on the Annual Delivery Plan, the Annual Performance Review, and the LIS work plan for places.

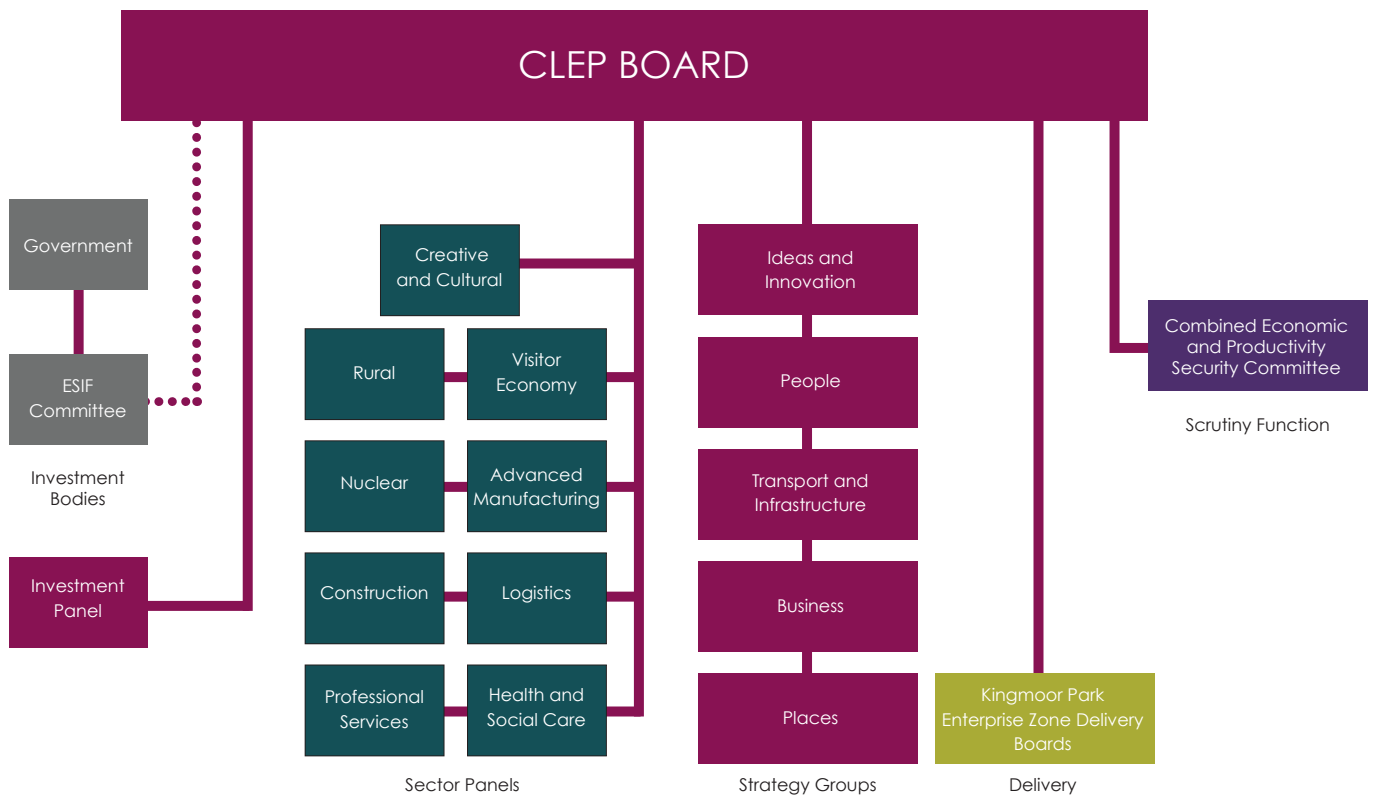
Annual Performance Review

3.9 CLEP received a strong assessment in the government's Annual Performance Review for 2019/20, with the assessment as follows:

- Governance : Exceptional
- Delivery: Good
- Strategic Impact: Requirements Met.

Governance Structure

3.10 The governance structure introduced for 2019/20 is outlined below:



Other developments

3.11 In response to the recognised need to engage with younger people in Cumbria a Futures Forum was set up. This body consists of sixteen younger people aged 18-35, who are committed to making sure that their views and that of their peers seriously influence Cumbria's economic strategy and investment decisions. After a successful recruitment process, the first meeting was held in February 2020.

3.12 In partnership with the Accountable Body, CLEP has established a Governance Board. Chaired by the Accountable Body Section 151 Officer, the group meets on a quarterly basis to consider all matters relating to governance, programme performance, delivery and risk. The Group has been recognised as good practice during the Annual Review process and provides an invaluable forum to ensure local assurance arrangements continue to be robust.

4. DEVELOPMENT OF STAFF AND CAPABILITIES OF CLEP

- 4.1 CLEP was established as a company limited by guarantee in December 2018. This new company became fully operational at the start of the 2019/20 financial year. CLEP is now able to directly employ its own staff, working alongside its excellent secondees. All new financial systems required to operate as a company were in place by May 2019.
- 4.2 A new Executive Team was developed during 2019/20, which has the right capacity and capability to meet our business priorities and to make sure that we deliver the right things for Cumbria, its economy, its businesses and people.
- 4.3 During 2019/20 CLEP had a successful recruitment and secondment process to fill the roles to create a team that is designed to meet the requirements of "Strengthened Local Enterprise Partnerships".
- 4.4 The LEP Network, on behalf of all LEPs, committed to Government that formal Peer Reviews would be completed on all LEPs during the 2019/20 financial year. CLEP was twinned with Coventry and Warwickshire LEP for the Peer Review exercise. This took place in February 2020, facilitated by the Centre for Public Scrutiny Ltd. This was a very productive process and helpful with exchanges on a number of issues taking place subsequently.

5. MULTI-LEP AND WORKING OUTSIDE CUMBRIA

- 5.1 CLEP is involved in several partnerships and range of activities outside of our boundaries:
 - CLEP is an active member of the LEP Network and has contributed to several of the LEP Network's submission to government to Select Committees and other consultations.
 - CLEP is a member of the Northern Powerhouse 11 (NP11) and has committed to work collaboratively with the other 10 LEPs within the NP11 on the work programme that is being developed.
 - CLEP works with the North West LEPs as part of the North West Local Energy Hub.
 - The cross-LEP working on the nuclear sector with the other North West LEPs, Heart of the South West and New Anglia LEPs.
 - CLEP continues to be committed to and actively engaging in the Borderland Inclusive Growth Deal. This is a cross-Border initiative consisting of Carlisle City Council, Cumbria County Council, Dumfries and Galloway Council, Northumberland Council and Scottish Borders Council that received a substantial funding allocation in the March 2019 Budget Statement.
 - Working collaboratively with other adjoining LEPs on a project or strategic basis (e.g. with Lancashire LEP on the Morecambe Bay Economic Area proposal).
 - Took part in the LEP Network Peer Review process with Coventry & Warwickshire LEP to share best practice on matters relating to governance, business engagement, delivery and strategy development.

Partnership working within Cumbria

Engaging with the business community

5.2 The business sector engagement takes place through several channels:

- Our **formal governance structures** have a very strong business representation. The nine Sector Panels have significant business membership. At least 150 businesses are members of these Sector Panels. Businesses are also represented on the LEP's other key governance sub-committees (five Strategy Groups covering the five foundations of productivity).
- The LEP holds an **Annual General Meeting** in September. As noted earlier, the 2019 AGM was attended by representatives from around 100 businesses and public, voluntary and community sector partners.

5.3 In addition, LEP staff attend, present and answer questions at a wide range of business dinners, business networking events and business clubs on an ad hoc basis.

Engaging with wider public, voluntary and community-based bodies

5.4 The wider public, voluntary and community-based bodies are also represented across our governance structure and sit on different Sector Panels and Strategy Groups. In addition the LEP engages with the public sector via:

- Engagement with the Cumbria Chief Executives Group and Cumbria Leaders' Board.
- The Technical Officers Groups (of local economic development leads for our 7 local authorities, the Lake District National Park and other bodies such as Natural England).
- Membership of Cumbria's Zero Carbon Cumbria Partnership.

5.5 As with the business sector, LEP staff attend, present and answer questions at a wide range of networking events and conferences on an ad hoc basis. These include the Cumbria CVS. There is a VCSE nomination on the CLEP Board and VCSE representatives are present throughout the wider governance structure.



6. LOCAL GROWTH FUND ACTIVITY

6.1 During 2019/20 there was re-profiling and work to develop pipeline projects as some projects previously identified could not be progressed due to a range of factors. By the end of 2019/20 CLEP had been or was working with 37 projects, of which:

LGF spend

6.2 CLEP had a Growth Deal allocation of £6.82 million for 2019/20. The final position at the end of Quarter 4 2019/20 was that claims totalling £7.3 million had been paid to projects, exceeding the allocation.

- 11 were closed and financially completed but where outputs are still being monitored
- 12 were live, but with delivery to be completed in 2020/21
- 7 which were in contracting and a further 7 were developing Full Business Cases.

	Number of projects	Total value £ms	Total spend To end 2019/20
Total Growth Deal Allocation		£60.3	
Completed Projects	11	£30.5	£30.5
Live Projects	12	£20.0	£17.2
Total live and completed		£47.7	£47.7
Projects in Contracting	7	£3.4	
Projects at Full Business Case	7	£6.8	
Total yet to start		£10.3	
Total spent and allocated*		£60.8	£47.7

Note: * total exceeds £60.3 million LGF allocation due to over-programming

LGF Outputs

6.3 The recorded overall achievement across the programme during 2019/20 is shown in Tables 6.2 and 6.3. Compared to the original targets set out in BEIS offer letters:

- Three targets had already been exceeded by the end of 2019/20 (learning opportunities, premise created and access to superfast broadband).
- Three targets are yet to be achieved, however based on project forecasts they will be achieved but after the end of 2020/21 (due to the time lag in follow-on investment and in job creation).

6.4 Table 6.1 shows the reported achievements from projects. Financially complete projects continue to submit annual monitoring reports until the end of their monitoring period. These are normally received in April / May for inclusion in the Q1 reporting. However, as a result of Covid-19 and the significant impact on a number of applicants, CLEP has agreed to a delay in the submission of this information to enable other critical COVID-related work to be progressed. This means that the only update on outputs CLEP received were from 'live' projects, who were submitting claims throughout the year.

Key output	Reported as achieved		
	To end 2018/19	To end 2019/20**	Reported as achieved during 2019/20
Jobs - created and safeguarded	1,816	1,830	14
Investment - public & private match and follow-on £ms	£34.4	£44.3	£9.9
Housing supported	408	507	99
Premises sqm (created or refurbished)*	95,061	95,001	-60
Learning opportunities	2,169	2,169	0
Premises with access to superfast broadband	6,776	10,529	3,753

Notes: * the negative figure in relation to floorspace was due to evidence being provided at compliance monitoring that demonstrated the figure to be slightly lower than previously reported.** returns currently incomplete for projects that were financially complete prior to 2019/20

Output measured	Outputs in BEIS LGF Offer Letters	Commitments	Achieved*	% of BEIS Target achieved	Still to be achieved
Jobs (Created Safeguarded)	4,000	6,099	1,830	46%	2,170
Investment - Public & Private Match/ Follow-on £ms	£100	£134	£44	44%	£55.7
Learning Opportunities	1,700	5,304	2,169	128%	EXCEEDED
Housing	3,000	3,750	507	17%	2,493
Premises sqm (Created / Refurbished)	62,000	235,501	95,001	153%	EXCEEDED
Premises with access to superfast broadband	5,000	5,925	10,529	211%	EXCEEDED

Notes: * to end of March 2020

6.5 Key development on LGF supported projects during 2019/20 includes the following:

- The £4.95 million LGF investment in **Carlisle Airport** supporting a total £12.24million project reached fruition when new passenger services to Dublin, Belfast and London Southend finally commenced from the new terminal funded by LGF in July 2019.
- The **Growing our Potential fund** was set up. This is a flexible fund aimed at business seeking to grow, increase productivity, foster innovation and create jobs. The fund can support capital investment in established SMEs with CLEP providing between 10-40% of the total investment with the grant range between £50,000 and £200,000. Originally a business case was prepared for a £2m fund, but the approval early in 2020 was for a £1m fund with ability to increase if Growth Deal funds are available. Two rounds of projects were considered in Q4 2019/20 and at the beginning of 2020/21 the programme was just under 50% committed.
- **Connecting Cumbria** which supports the roll out of superfast broadband continued to be delivered led by Cumbria County Council across Cumbria. The project has exceeded its original outputs and continues to be very successful in extending the reach of superfast broadband across Cumbria
- **M-Sport Evaluation Centre.** Work started on the MEC project which comprises the construction of an Evaluation Centre at the M-Sport Headquarters at Dovenby Hall near Cockermouth and has received an allocation of £1.3m in LGF. The project is forecast to lever £23 million of public and private sector funding, develop 10,723 sq. metres of business space, and create around 100 jobs.
- Work was completed on **Project Ark.** LGF support of £2.5 million helps provides new flood defences for James Walker & Co Limited in Cockermouth. This important engineering firm in the local economy was severely affected by flooding in 2015 as a consequence of Storm Desmond. The project has safeguarded 400 high quality jobs and will support a follow-on investment by the business of around £10 million
- **Manufacturing and premises purchase, Clark Door.** The project started and was substantially completed in 2019/20. Overall the £570,000 grant funding supports a £3.0 million scheme to expand the businesses manufacturing and development facilities of this manufacture of special purpose door systems. Clark Door designs, manufactures, installs and services a range of specialist doors for customers in the UK and over 40 countries overseas.
- **Dressed to Impress** at Tullie House Museum & Art Gallery is a project supporting the refurbishment at this independent regional museum, to create two innovative costume and textile galleries. The project started in 2019/20 and will be completed during 2020/21.
- **Carlisle Citadels** is a project to support land assembly to facilitate the development of this strategic site in the centre of Carlisle. £1.7 million has been committed to support land acquisition and demolition of buildings.

6.6 In addition to these projects, there are several projects that were completed and have claimed all their LGF prior to 2020/21 but where outputs were delivered in 2020/21. The principle ones are:

- **Barrow Waterfront**, where £7.2 million has been invested by LGF. This has funded site reclamation and improvement work to transform derelict land into a business park for employment and advanced manufacturing growth, including site clearance and levelling, decontamination work, removal of industrial debris, provision of utilities, landscaping and raised earthworks for flood protection measures. 2019/20 saw the completion of the first new employment space development on with site. Harding Rise House Managed Business Centre utilised investment from the ERDF Programme to deliver 1,494 m² of new premises for growing small and medium sized companies in January 2020 and the site is being actively marketed to other developers.
- The **Advanced Manufacturing Centres** at Barrow College and Carlisle College have seen £2 million of LGF spend and continue to be important centres for learning activity.
- **Durranhill Industrial Estate** owned by Carlisle City Council saw £2 million of LGF support for access improvements, site servicing, a new road link and access to release vacant land for development in 2015/16. There continues to be development there further job outcomes expected to be reported in 2019/20.

Monitoring and Evaluation of the LGF

6.7 A major priority in 2019/20 was to undertake an economic evaluation and review of LGF. This piece of work was completed in November 2019, accepted by the CLEP Board and submitted to government to meet the requirement of the evaluation of LFG. The work was based on a snapshot of the progress of LGF at the end of 2018/19. The mid-term evaluation concluded that:

- The actual on the ground impacts of LGF support on the economy of Cumbria has been relatively limited by the end of March 2019. This reflect timing factors:
 - Many projects have only just been completed (or are in progress)
 - Most of the investments will take some considerable time to have impacts as a result of other the physical development process (sites and premises) or the long term nature of the impacts (transport)
 - The benefits of some of the investment unlock other activity to follow on (which will take some time to materialise).
 - There was welcome evidence of LGF contributing to the safeguarding of significant numbers jobs – especially linked to recovery and resilience investment after flooding in the county - and the creation of some new jobs.
- LGF had helped deliver superfast broadband to nearly 9,000 premises in remoter, rural parts of Cumbria. LGF had provided new skills facilities that are supporting around 800 learners a year. The LGF investments had also started contributing towards the delivery of new homes in South Lakeland.
- It was is not possible to say what the net economic effects on Cumbria's GVA or jobs have been to date taking account of displacement, additionality and other economic effects.

6.8 Looking ahead the review noted that there was significant potential for the projects funded via LGF to make substantial longer-term impacts on the Cumbrian economy.

7. OTHER FUNDING OR GROWTH PROGRAMMES

ESIF

7.1 CLEP relies on reporting from central government in terms of progress of ESIF supported activity in Cumbria. It plays an active role in publicising the programme and its opportunities.

ERDF

7.2 Based on current exchange rates Cumbria has an allocation of £49 million of ERDF. As of June 2020, across the whole programme £40 million of this allocation (81%) was contracted or in application stage with

- £30 million (61%) was contracted,
- £3.8 million was in a funding agreement in progress or at full application stage (8%) and
- £6.15 million (12%) was in outline application stage,
- leaving £9.35 million (19%) still unallocated.

7.3 The main issue in Cumbria has been in developing projects in Priority 1 (R&D and Innovation) due to the lack of research-based institutions, but some progress has been made over the last 12 months with £4 million at outline application stage, although only 32% was contracted. The CLEP has a particularly healthy pipeline of projects in Priority Axis 4 low carbon.

7.4 Progress and projects of note that are up and running and delivering activity and outputs include:

- The £4.1 million Cumbria Innovations Platform programme (CUSP) being delivered by Lancaster University (and also involving the University of Cumbria) aimed at innovation in SMEs (Priority Axis 1)
- The ICTIS - Information and Communication Technology Improvement Support project delivered by Allerdale Borough Council (Priority Axis 2)
- The Cumbria Growth Hub (see later) and Business Start-up support programmes being delivered by the Chamber of Commerce under Priority Axis 3
- The £2.2 million Eco-Innovation Cumbria programme for SMEs being delivered by the University of Cumbria in Priority Axis 4 which is operational.
- The £7.3 million Low Carbon Lake District programme being run by the Lake District National Park Authority, which is now live.

7.5 Cumbria is making good progress in the delivery of targeted activity in Priority Axes 1 (R&D, and innovation) and 3 (entrepreneurship) through the business support programmes here including the Growth Hub.

Status	1 R&D and Innovation	2 ICT	3 Entrepreneurship	Low Carbon	Climate change adaptation	6 Re-source efficiency	Total
Outline	£4.0	£0.0	£1.7	£0.0	£0.0	£0.5	£6.2
Full Application	£0.0	£0.0	£0.1	£3.2	£0.0	£0.0	£3.3
Funding agreement in Development	£0.0	£0.0	£0.5	£0.0	£0.0	£0.0	£0.5
Contracted	£2.4	£0.5	£12.5	£8.6	£5.3	£0.8	£30.1
Total value all projects	£6.4	£0.5	£14.7	£11.8	£5.3	£1.3	£40.1
Notional Allocation	£7.6	£0.6	£21.0	£13.5	£5.4	£1.4	£49.4
Balance remaining	£1.1	£0.1	£6.3	£1.7	£0.0	£0.1	£9.3
% contracted	32%	84%	59%	64%	100%	54%	61%
% taken up	85%	84%	70%	87%	100%	91%	81%

Source: ESI Sub-Committee, report from June 2020. Note: as of previous quarter

Priority area and measure	Target	Total projects all stages	Contracted	Claimed	As % of target	
					Claimed to date	Contracted
PA1 Number of enterprises receiving support	214	270	120	112	52%	56%
PA2 Number of enterprises receiving support	113	150	150	0	0%	133%
PA3 Number of enterprises receiving support	1,850	2,698	2,079	861	47%	112%
PA4 Estimated annual decrease of GHG (tonnes of CO ₂)	5,927	984	884	400	7%	15%
PA5 businesses and properties with reduced flood risk	599	1,717	1,717	0	0%	287%

Source: ESI Sub-Committee, report from June 2020.

ESF

- 7.6 The programme is very largely committed in financial terms. By March 2020 the commitments on participants (25,300 committed compared to overall 27,000 target) is in line with the overall target to 2023 targets. Actual delivery to the end of Q3 2019 of 16,5000 participants overall in Cumbria was running at around 60% of the overall target to 2023. Overall, the programme in Cumbria appears likely to fully achieve its spend and participant targets.
- 7.7 There has been generally good progress in commitment of delivery of the number of participants compared to targets, as outlined in Table 7.4.

Table 7.3 Progress on ESF Spend and Commitment in Cumbria, March 2020, £000s

Priority area	Total com-mitted (ESF only)	Total claimed (up to Q4 2019)	Claimed a % of com-mitted	2023 Target ESF	Committed as % 2023 target
1.1 Access to employment for jobseekers and inactive people	£10,587	£5,120	48%	£9,465	112%
1.2 Sustainable integration of young people	£1,200	£842	70%	£2,025	59%
Active inclusion.	£2,500	£1,528	61%	£3,329	75%
PA1 Total	£14,287	£7,490	52%	£14,819	96%
2.1 Enhancing equal access to lifelong learning	£16,424	£4,883	30%	£16,230	101%
2.2 Improving the labour market relevance of education and training systems				£2,286	0%
PA 2 Total	£16,424	£4,883	30%	£18,516	89%
Total	£30,711	£12,373	40%	£33,335	92%

Participants	2023 target	Total committed to date	2023 committed as % of target	Total actual delivered to Q3 2019	Total delivered as % of 2023 target
1.1 Access To Employment For Job-Seekers And Inactive People	9,062	11,191	123%	6,200	68%
1.2 Sustainable Integration Of Young People	2,098	1,124	54%	942	45%
1.4 Active Inclusion	1,771	976	55%	919	52%
PA1 Total	12,931	13,291	103%	8,061	62%
2.1 Enhancing Equal Access To Lifelong Learning	13,886	11,998	86%	8,458	61%
2.1 Improving The Labour Market Relevance Of Education And Training Systems	238		0%		0%
PA 2 Total	14,124	11,998	85%	8,458	60%
Total	27,055	25,289	93%	16,519	61%

Source: Summary of Commitment as at 3/3/2020 from ESI Funds Sub-Committee

Growing Places Fund

7.8 The Cumbria Infrastructure Fund (CIF) is the name for the local implementation of the national Growing Places Fund. The fund was established to promote the delivery of key infrastructure needed to unlock developments that help generate jobs and homes. The total amount of funding awarded was £6.1 million and was established to act as a revolving fund to allow future investments to be made once returns to the programme are made. Funds have already started to be reinvested as the programme has committed a total of £8.7 million to projects.

7.9 During 2019/20 progress and activity is as follows:

- Over 200 new homes being developed across four housing sites in South and West Cumbria;
- 53 jobs created through the Small Business Development Loan scheme. This is an investment programme within CIF established to support SMEs access to finance for small scale capital developments. There are three remaining live projects within the programme tasked with creating 61 jobs;
- [In 2019/20, the programme will see the completion of the contracting of the Cross a Moor scheme, which is for the development of a roundabout in South Ulverston. Through this, four housing sites will be "opened up" and, working with housing developers, over 1,000 new homes will be created over future years. Repayments will be made to the fund through Section 106 agreements agreed between the Planning Authority and Developers.

Northern Cultural Regeneration Fund (NCRF)

7.10 Cumbria has been awarded £3.2 million in funding from the NCRF which is supported by DCMS. This funding is supporting three NCRF projects:

- **Windermere Jetty Museum of Boats, Steam and Stories** has been allocated £2.3 million in NCRF support which has helped contribute to the overall £20 million cost of the project. The new museum at Windermere Jetty replaces the former Windermere Steamboat Museum and opened to the public in March 2019. By the end of 2019/20 the project had received £2.014 million of the grant approved, and it is expected that the project will complete in 2020/21. The project will support 29 FTE jobs and is expected to receive around 120,000 visits per year.
- The **Reimagining Wordsworth** project will transform the Wordsworth Museum in Grasmere, which holds the finest collection of Wordsworth's manuscripts anywhere in the world. The project has been allocated £495,000 in NCRF support, and by the end of 2019/20 had received £267,000 of the grant approval. It is expected that the project will complete in 2020/21, and it aims to support creation of 5 FTEs and 16,500 additional visitors.
- **Abbot Hall** is home to a significant visual arts collection in Kendal. The project will enable the museum to undergo vital refurbishment across its Main Galleries; create a new Project Space for exhibitions and artist residencies, community projects and workshops; and achieve full accessibility across the buildings and site. Development work on the project has continued through 2019/20 and the project is expected to be undertaken in 2020/21, and is expected to receive £495,000 in NCRF support.

Enterprise Zone

7.11 CLEP secured Enterprise Zone status for Kingmoor Park in Carlisle. The EZ became operational on 1 April 2016 for a 25-year period, offering a combination of business rates relief and capital allowances. The EZ site is 122 hectares in total of which 49 hectares are already developed.

7.12 Kingmoor Park is located just off Junction 44 of the M6, and has the potential to create an additional 3,000 jobs in advanced manufacturing, nuclear supply chain and logistics. It is highly accessible and offers considerable opportunity to attract new investors to the County and offer grow-on space for existing businesses. CLEP worked with partners at Carlisle City Council and Kingmoor Park Properties to secure inclusion within the Northern Powerhouse Area of DIT's Capital Investment Portfolio in February 2020. This is shared via DIT with international partners considering investment in the North of England.

7.13 The other achievements in 2019/20 were as follows:

- Engagement of a development partner to take forward the new commercial masterplan. Covid-19 is likely to lead in a shift in demand towards the logistics sector, increasing the need for large-scale storage and distribution facilities. Therefore, the masterplan will need to be flexible.
- Commencement of the new MODVillage (1,670 sqm "business village" made from recycled shipping containers).
- Completion of the first phase of a new 1.6 hectare solar farm site (installation of 3,000 ground mounted solar, photovoltaic panels) to enable the business park to operate as much as possible from renewable energy.

- Further development of the proposals for an Energy from Waste plant on the site by Verus Energy.

Business support

Cumbria Growth Catalyst

- 7.14 In addition, conversations have been taking place with government about resetting the EZ baseline, given that this was established based on a facility that had successfully operated for almost two decades.
- 7.15 The Cumbria Growth Catalyst Programme delivers a range of business support provision to SMEs throughout Cumbria. Designed to complement other key funding streams such as European Regional Development Fund (ERDF), the Programme has been delivered via a contract with the Cumbria Chamber of Commerce, which also runs the successful Cumbria Business Growth Hub.
- 7.16 The value of the programme for 2019/20 was £0.246 million with the following outputs delivered:
- 523 Diagnostics (3 hour support package).
 - 112 Scale-Up Assists (12 hours of intensive support for businesses with the potential to increase turnover by 50% within three years).
 - 32 Workshops across Cumbria.
- 7.17 Eligible businesses included those in the retail, leisure and hospitality, agriculture and visitor economy sectors, all critical to Cumbria's economic success.
- 7.18 As a result of EU Exit late in 2019/early 2020 causing a delay to business planning, and COVID-19 impacting at the very end of the Financial Year, 33 fewer than targeted medium intensity assists were delivered, but these have been rolled into the targets for 2020-21.
- 7.19 The Evolutive CRM system was introduced in 2019/20 has been extremely helpful in providing CLEP with real time access to data and to support the monitoring of contractor performance, sectoral and geographical distribution of support and to facilitate reporting to BEIS.
- 7.20 An interim independent review of the Growth Catalyst was carried out by Amion during 2019/20 as planned. This review completed in June 2019 confirmed the satisfactory delivery of the programme and positive feedback from businesses receiving support. Key findings were:
- The Growth Catalyst had a positive impact in supporting businesses in the priority sectors and is expected to contribute towards job creation and increases in business turnover.
 - The Catalyst had been well managed and delivered.
 - There is likely to be a continuing need to provide support to ERDF-excluded businesses.
 - Future delivery should consider if businesses can receive more support than currently allowable under the scope of Growth Catalyst (i.e. more than 3 hours for non-Scale-Up businesses).

- In future programmes, the method for output recording and claims should be changed – i.e. to allow completion of outputs over a financial year and to claim to BEIS based on actual performance

Career Hub/Enterprise Advisors

7.21 The Enterprise Adviser Network (EAN) was launched in Cumbria in 2016. It is a programme that focuses on developing a national network that connects schools and colleges with employers and careers programme providers and supports them to work together to provide young people with effective and high-quality encounters with the world of work. This work was undertaken in partnership with the Careers and Enterprise Company.

7.22 In July 2018 building on this work, CLEP with the backing of local education and skills partners, employers and stakeholders was successful in its bid to take part in a national pilot to establish a Careers Hub. The purpose of the Career Hub is to transform careers education for young people through:

- Continued building of networks across schools, colleges to employers and other external careers advisers
- Supporting careers leaders – by providing training and support
- Supporting schools and colleges to achieve the eight Gatsby benchmarks- Indicators of good quality careers advice by supporting and developing excellence and innovation in practice.

7.23 During 2018/19 the Hub lead was recruited and 40 schools and colleges were engaged with the Hub. The target was to ensure that all schools and colleges are matched to an enterprise adviser by July 2019, although this has not been fully achieved with some gaps in coverage. The Careers Hub programme at this stage is set to run until August 2021 as is the national commitment to the Enterprise Adviser Network.

7.24 Targets for 2019/2020 (Academic Year) were:

- 90% of all Hub institutions fully achieve the Gatsby Benchmark 5 (for encounters with employers and employees) – Not achieved due to Covid-19
- No Hub schools/colleges scoring in the 0-25% category for benchmark 5 - Achieved
- 60% of all Hub Institutions to have achieved Gatsby Benchmark 6 (Experiences of the workplace), A further 35% of Hub institutions partially achieve benchmark 6- Achieved
- An average of 6 Gatsby Benchmarks by all Careers Hub schools and colleges and full achievement of all 8 benchmarks by lead schools / college. Not achieved 4.3 average benchmark. (The Career Enterprise Company and DfE acknowledged that achievement of this target was impacted on by Covid-19).

Skills Advisory Panel

- 7.25 SAPs are local partnerships that strengthen the link between public and private sector employers, local authorities, colleges and universities. They operate at a local level through LEPs to ensure local people are trained for jobs that are available.
- 7.26 The Cumbria LEP People, Employment and Skills Strategy Group (PESSG) fulfils this role for Cumbria bringing together employers and leaders from schools, Colleges, Universities, independent private training providers, voluntary and community sector, local authorities and Government Departments. PESSG ensures that education, skills and employment support providers are assisted to tailor provision to the needs of the current and future workforce to support sustainable and inclusive economic growth.
- 7.27 It works with businesses to understand their employment and skills needs and encourage the continued upskilling of individuals to drive productivity and business growth.
- 7.28 In delivering this role the PESSG has developed an evidence base that underpins the skills priorities set out in the draft Local Industrial Strategy and implemented a programme of work to deliver on these priorities.
- 7.29 Having created a robust evidence base the work of the SAP will move to the development of a Local Skills Report setting out a clear and consistent view of local skills needs across areas in a relevant and engaging format for local partners. This report will be a key source of local skills information to facilitate curriculum development to meet identified needs, local intelligence to the Department for Education's Skills and Productivity Board and showcase the range and impact of high quality skills provision across Cumbria.

International Trade (DIT)

- 7.30 During 2019/20 CLEP re-commenced Northern Powerhouse Key Account Management (KAM), after a period of non-engagement. A KAM post was created and CLEP engaged with 35 companies during 2019/20. All contractual requirements were delivered during this period.

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CLEP DELIVERY PLAN

2020-21



CUMBRIA
LOCAL
ENTERPRISE
PARTNERSHIP



CONTENT

1. INTRODUCTION	3
2. COVID-19	3
3. STRATEGY	4
4. GOVERNANCE	6
5. DEVELOPMENT OF STAFF AND CAPABILITIES OF CLEP	7
6. MULTI-LEP AND WORKING OUTSIDE CUMBRIA	8
7. KEY INDICATORS FOR THE 2020/21 DELIVERY PLAN	9
8. LOCAL GROWTH FUND ACTIVITY	10
9. OTHER FUNDING OR GROWTH PROGRAMMES	14
APPENDIX A:	



1. INTRODUCTION

- 1.1 The Annual Delivery Plan is a new requirement of all Local Enterprise Partnerships in response to the "Strengthened Local Enterprise Partnerships" report produced by government in July 2018. CLEP's 2019/20 Annual Delivery Plan was a 'light-touch' version that reflected the transitional year as LEPs collectively work with government to fully develop the expectations of the Annual Delivery Plan.
- 1.2 We produced our draft Local Industrial Strategy (LIS) in March 2019. This has been discussed with government. However it has not been formally signed off and as yet no co-produced LIS has been published. Nevertheless, CLEP has used the LIS as the key document to drive our activities and focus.
- 1.3 2019 saw a new Government elected with new priorities, particularly in relation to levelling up. The United Kingdom withdrew from the European Union on 31 January 2020. The impacts of the global coronavirus pandemic started to be felt in Cumbria in March 2020 and subsequently has had a profound effect on the local and national economy. All these factors mean that the Annual Delivery Plan for 2020/21 remains a light touch version.
- 1.4 As in 2019/20, the Delivery Plan is structured around the three themes of the Annual Performance Review – Strategy, Governance and Delivery – with the focus of this report being primarily on the delivery aspects of all funded programmes and activity. This structure has been developed by CLEP in advance of introducing a formal Annual Delivery Plan designed around monitoring progress against the LIS or its successor.

2. RESPONSE TO COVID-19

- 2.1 Whilst this Annual Delivery Plan was being developed, the impacts of Covid-19 were just beginning to emerge. However, it was becoming clear that the response to Covid-19 would be the overarching factor driving CLEP's activity during 2020/21.
- 2.2 Cumbria's restart and recovery planning in response to the Covid-19 pandemic commenced prior to the national lockdown of 23 March. Cumbria had already mobilised its Local Resilience Forum in advance of this. CLEP recognised the significant potential damage that could be caused to the economy, as a result of the pandemic, given the unique shape of the economy and the closure of the retail, leisure and hospitality sectors.



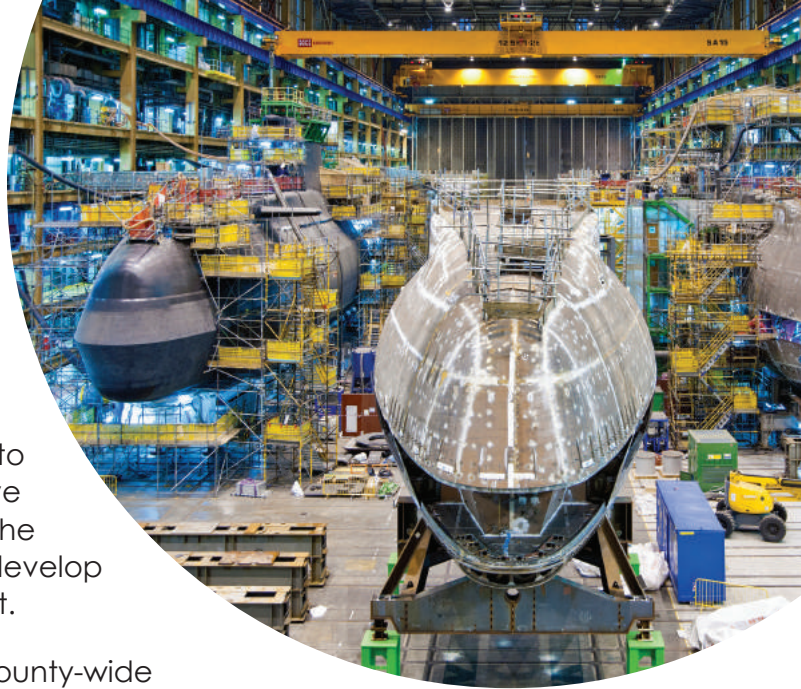
- 2.3 CLEP was invited by our local partners to lead the Business and Economic Response and Recovery Group (BERRG) to co-ordinate the public, private and voluntary and community sector's efforts in both responding to and recovering from Covid-19. BERRG is a sub-group of the Local Resilience Forum.
- 2.4 BERRG was set up to be responsible for the following key priorities:
- Assessing the economic implications for Cumbria and ensure that accurate and up to date intelligence is collected and disseminated as appropriate
 - Identifying the effectiveness of national and local mitigation activity in maintaining economic and business activity and identify any further mitigation actions
 - Developing clear and consistent communication channels to ensure that all businesses are aware of the support available to them
 - Supporting businesses to continue trading and to manage liquidity during the emergency
 - Developing an economic recovery strategy, at the appropriate point.
- 2.5 BERRG's membership was intended to be extensive, with full membership extending to over 70 member organisations. At the outset of the process, it was agreed that BERRG would extend its reach into other economic bodies and organisations becoming in essence a 'network of networks. Importantly, it would also utilise CLEP's extensive governance structure to engage all key sectors in response and recovery activity.

3. STRATEGY

- 3.1 CLEP published its draft Local Industrial Strategy (LIS) in March 2019. During 2019/20 the LEP embarked on embedding the LIS and its objectives in its approach to delivery and governance. The LIS is now fully embedded in our processes and is the prism through which all strategic decisions are taken and project funding requests assessed. Part 2 of CLEP's Local Assurance Framework provides full details of the systems and processes for project prioritisation and investment decisions.
- 3.2 During 2020/21 the focus is on further embedding the LIS and, in the light of the potential impacts of Covid-19, defining a new path towards realising the LIS, recognising that the economic landscape has changed significantly since the initial LIS development phase in 2018 and 2019.
- 3.3 We plan to continue the **development of our evidence base**. In particular, CLEP with a number of partners, including the District and County Councils and the Cumbria Chamber of Commerce, will reinstate the Cumbria Business Survey in 2020. This will be conducted largely by telephone to gather stakeholders' insights into the practices, priorities, needs and approaches to growth by 2,000 businesses across Cumbria. The survey, which was formerly biennial, will provide a very helpful profile of the range of businesses in our county and how we can better support them going forward.
- 3.4 CLEP will continue to make substantive **contributions to national consultations** and calls for evidence from Select Committees and other bodies, working with the LEP network where appropriate. This ensures that Cumbria's voice is properly heard and can influence national policy.

3.5 During 2020/21 we aim to complete and publish or make available to our partners the following strategies:

- **Creative and Cultural Strategy** led by CLEP's Creative and Cultural Sector Panel. This will cover what is required to promote and develop the existing exceptional arts and cultural offer and to encourage further growth in the creative industries. This builds on a key strand in the LIS about the role of culture in helping develop our places that attract and retain talent.
- **Digital Strategy** drawing together the county-wide improvement plans and upgrades to deliver better digital infrastructure, enhanced business services, the creation of a world class digital skills offer, more efficient and inclusive public services and digital inclusion, so that nobody is left behind.
- **Housing Delivery Strategy** covering how CLEP and partners working collectively could support the delivery of Cumbria's strategic housing priorities
- **Internationalisation Strategy.** The LIS identified that Cumbria was not maximising its trade and investment opportunities as effectively as it might and CLEP commenced the development of an Internationalisation Strategy in autumn 2019. This strategy will set out how CLEP and its partners across Cumbria could increase exports from Cumbria and attract a greater level of Foreign Direct Investment (FDI) and is due to be published in 2020/21.
- In July 2019, CLEP, Cumbria County Council, the District Councils and the LDNPA jointly commissioned Lambert Smith Hampton to produce an **Employment Sites and Premises Study** for Cumbria. This study will support delivery of the Local Industrial Strategy through providing a framework for investment in priority employment sites and was received in final draft form at the start of 2020/21.



3.6 In addition, the CLEP team and partners are developing a **nuclear prospectus** during 2020/21. This will set out the future opportunities nationally and in Cumbria and the role Cumbria could play in supporting the development of the nuclear sector in its contribution to delivering Net Zero Carbon targets.

3.7 Cumbria partners have identified the opportunity presented by the government's proposal to support new Freeports in the UK. During 2020/21 CLEP plans to help develop a multi-site **Freeport application**.

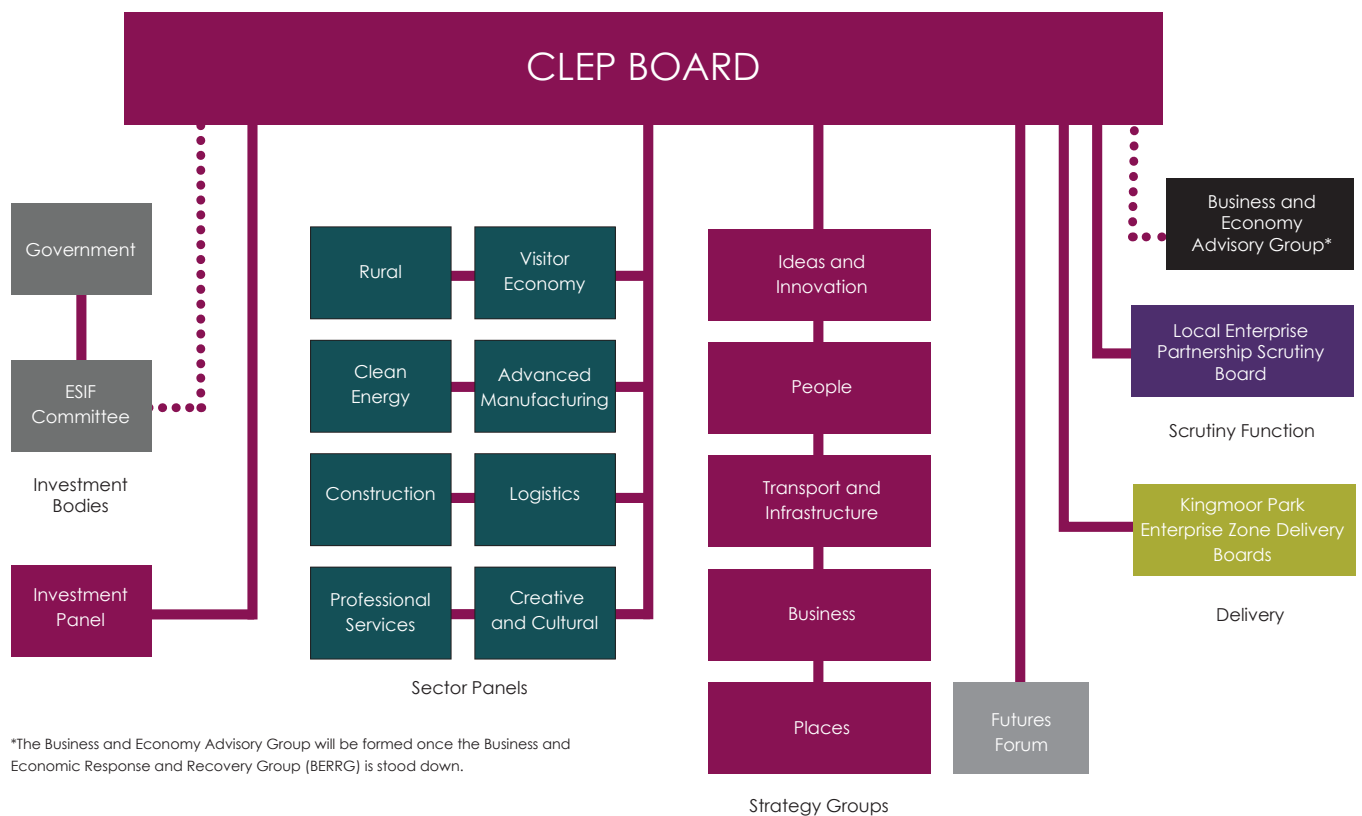
3.8 As well as all this activity, it is clear that the development of a strong strategic response to Covid-19 under the auspices of BERRG will be a major significant forward commitment.

4. GOVERNANCE

- 4.1 The changes to governance introduced in 2019 were bedded in during 2019/20 and will be kept under review in 2020/21. There have been regular meetings of the Strategy Groups and Sector Panels which have overseen the development and implementation of LIS priorities. All eight Sector Panels are now well beyond developmental stage and have a clear work programme during 2020/21 (which of course will be impacted by Covid-19).
- 4.2 The main substantive governance change during 2020/21 has been, as noted earlier, the creation of an effective Business and Economic Response and Recovery Group (BERRG) structure. This group is chaired by CLEP's Chief Executive and led and supported by CLEP. This will become the Business and Economic Advisory Group (BEAG) once the pandemic has formally moved into the recovery phase. Another important change was the loss of the Health and Care Sector Panel as it was recognised that existing public sector partners were fully covering the agenda.
- 4.3 CLEP received a strong assessment in the government's Annual Performance Review for 2019/20, with the assessment as follows:
- Governance¹: Exceptional
 - Delivery: Good
 - Strategic Impact: Requirements Met. (Highest score available)

Governance Structure

4.4 The structure for 2020/21 is outlined below, showing the role of BERRG:



¹Governance and Delivery marked out of: inadequate; requires improvement; good; or exceptional. Strategic impact marked as requirements either met or unmet

Further Priorities

4.5 Other priority activities for 2020/21 are:

- **Futures Forum** – embedding the Futures Forum into the CLEP governance structure. This follows its first meeting in February 2020. The Forum consists of sixteen younger people aged 18-35, who are committed to making sure that their views and that of their peers seriously influence Cumbria's economic strategy and investment decisions.
- Continuing to review our governance structures to ensure they are fit for purpose. This includes ensuring that the **Clean Energy Sector Panel** extends focus to all technologies from its previous focus on nuclear.
- Developing a forward programme for 2020/21 for the **LEP Scrutiny Board**. This Board has been established with 14 voting County Council members and 6 voting co-opted members from the District Councils. Its sole remit is CLEP Scrutiny and it meets twice per year, with meeting scheduled for September 2020 and March 2021. CLEP will continue to attend individual local authority Scrutiny Committees on request in line with its strong commitment to openness and transparency
- **Annual General Meeting** – ensuring that the next AGM on 18 September 2020 builds upon the successful AGMs in 2018 and 2019 and secures interest in scrutinising CLEP and its activities.



5. DEVELOPMENT OF STAFF AND CAPABILITIES OF CLEP

- 5.1 During 2019/20 CLEP had a successful recruitment and secondment process to fill the roles to create a team that is designed to meet the requirements of "Strengthened Local Enterprise Partnerships". During 2020/21 CLEP will be seeking to secure secondee resource to appoint a Head of Strategy and Policy.
- 5.2 As a result of Covid-19, CLEP will be developing home working arrangements and ensuring the capacity and capability to operate effectively under this remote working arrangements whilst there are restrictions on working from offices.
- 5.3 CLEP will be seeking to secure additional resources to deliver supplementary growth hub activity during 2020/21.
- 5.4 During 2020/21, CLEP will be required to produce its first set of audited accounts for the financial year 2019/20 for the company limited by guarantee.

6. MULTI-LEP AND WORKING OUTSIDE CUMBRIA

6.1 CLEP is involved in several partnerships and range of activities outside our boundaries:

- CLEP is an active member of the LEP Network and has led and contributed to several of the LEP Network's submission to government to Select Committees and other consultations.
- CLEP is one of only two LEPs on the national Local Economy Recovery Group, a national body which advises Ministers on economic recovery from Covid-19.
- CLEP is a member of the Northern Powerhouse 11 (NP11) and has committed to work collaboratively with the other 10 LEPs within the NP11 on the work programme that is being developed. We are currently taking a lead on the Places work for NP11 along with the York, North Yorkshire and East Riding LEP.
- CLEP works with the North West LEPs as part of the North West Local Energy Hub.
- The cross-LEP working on the nuclear sector with the other North West LEPs, Heart of the South West and New Anglia LEPs.
- CLEP continues to be committed to and actively engaged in the Borderland Inclusive Growth Deal. This is a cross-Border initiative consisting of Carlisle City Council, Cumbria County Council, Dumfries and Galloway Council, Northumberland Council and Scottish Borders Council that received a substantial funding allocation in the March 2019 Budget Statement and where some projects have started deliver (eg the rollout of the Digital Borderlands voucher scheme) and others are moving forward to Heads of Terms.
- We work collaboratively with other adjoining LEPs on a project or strategic basis (e.g. with Lancashire LEP on the Morecambe Bay Economic Area proposal).
- CLEP has been involved in the Peer Review process organised through the LEP Network. Partnered with Coventry & Warwickshire LEP, the exercise offered an opportunity to share best practice across key areas such as governance, business engagement and strategy development.

Partnership working within Cumbria

Engaging with the business community

6.2 The business sector engagement takes place through several channels:

- Our **formal governance structures** have a very strong business representation. We have eight Sector Panels covering the rural economy (largely responsible for agri-food), the visitor economy, the creative & cultural sector, clean energy, advanced manufacturing, construction, logistics, and professional services. At least 150 businesses are members of these Sector Panels, which meet every 2 to 3 months. Businesses are also represented on the LEP's other key governance sub-committees (five Strategy Groups covering the five foundations of productivity).
- The LEP holds an **Annual General Meeting** in September. The 2019 AGM was attended by representatives from over 100 businesses and public, voluntary and community sector partners.

6.3 In addition, LEP staff attend, present and answer questions at a wide range of business dinners, business networking events and business clubs on an ad hoc basis.

Engaging with wider public, voluntary and community-based bodies

6.4 The wider public, voluntary and community-based bodies also are represented across our governance structure and sit on different Sector Panels and Strategy Groups. In addition the LEP engages with the public sector via:

- Engagement with the Cumbria Chief Executives Group and Cumbria Leaders' Board
- The Technical Officers Groups (of local economic development leads for our 7 local authorities, the Lake District National Park and other bodies such as Natural England)
- Membership of Cumbria's Zero Carbon Cumbria Partnership

6.5 As with the business sector, LEP staff attend, present and answer questions at a wide range of networking events and conferences on an ad hoc basis. These include the Cumbria CVS. There is a VCSE nomination on the CLEP Board and throughout the wider governance structure.

7. KEY INDICATORS FOR THE 2020/21 DELIVERY PLAN

7.1 The current forecasts are that the activity of the LEP will deliver the following outputs in 2020/21:

- Supporting the creation of around 620 new jobs
- Levering in around £15 millions of investment
- Helping the delivery of 75 new homes
- Supporting around 1,100 new learners

[Note: sourced from Growth Deal Dashboard, Q4 2020]



8. LOCAL GROWTH FUND ACTIVITY

8.1 CLEP has or plans to support around 37 projects via the Local Growth Fund (LGF). During 2019/20 there was re-profiling and work to develop pipeline projects as some projects previously identified could not be progressed due to a range of factors. Of these 37 projects at the end of Q4 2019/20:

- 11 were closed and financially completed but where outputs are still being monitored
- 12 were live with delivery that will be completed in 2020/21
- 7 were in contracting and a further 7 were developing Full Business Cases.

8.2 The overall progress and forecasts spend (Table 8.1) the main outputs recorded for all LGF supported projects (Table 8.2) are summarised below. CLEP remains on track to spend all of the LFG allocations by the end of 2020/21. However, Covid-19 will undoubtedly impact on some projects so the programme will need to be managed carefully.

	Number of projects	Total value £ms	Total spend	
			Total spend To end 2019/20	Forecast for 2020/21
Total Growth Deal Allocation		£60.3		
Completed Projects	11	£30.5	£30.5	
Live Projects	12	£20.0	£17.2	£3.0
Total live and completed		£50.5	£47.7	£3.0
Projects in Contracting	7	£3.4		£3.4
Projects at Full Business Case	7	£6.8		£6.8
Total yet to start		£10.3		£10.3
Total spent and allocated*		£60.8	£47.7	£13.3

8.3 The recorded overall achievement across the programme is shown in Table 8.2. Compared to the original targets set out in BEIS offer letters:

- Three targets had already been exceeded by the end of 2019/20 (learning opportunities, premise created and access to superfast broadband).
- Three targets are yet to be achieved, however based on project forecasts they will be achieved but after the end of 2020/21 (due to the time lag in follow-on investment and in job creation).

Output measured	Outputs in BEIS LGF Offer Letters	Commitments	Forecast*	Achieved**	% of BEIS Target achieved	Still to be achieved
Jobs (Created Safeguarded)	4,000	6,099	6,903	1,830	46%	2,170
Investment - Public & Private Match/ Follow-on £ms	£100	£134	£147	£44	44%	£55.7
Learning Opportunities	1,700	5,304	6,274	2,169	128%	EXCEEDED
Housing	3,000	3,750	3,649	507	17%	2,493
Premises sqm (Created / Refurbished)	62,000	235,501	253,583	95,001	153%	EXCEEDED
Premises with access to superfast broadband	5,000	5,925	11,240	10,529	211%	EXCEEDED

Notes: * to end of March 2020; ** including future years beyond 2020-21

8.4 The live projects where significant **spend** is still to be incurred in 2020/21 are:

- Growing our Potential** is a flexible fund aimed at businesses seeking to grow, increase productivity, foster innovation and create jobs. The fund can support capital investment in established SMEs with CLEP providing between 10-40% of the total investment with the grant range between £50,000 and £200,000. Originally a business case was prepared for a £2m fund, but the approval early in 2020 was for a £1m fund with ability to increase if Growth Deal funds are available. Two rounds of projects have been considered and at the beginning of 2020/21 the programme was just under 50% committed with a healthy pipeline of interest.
- South Ulverston Infrastructure Improvements.** Here final works underway at Daltongate Business Park which are expected to complete in Q2 2020/21. A change control has been approved allowing £159,000 of additional eligible expenditure to be included which is expected to be claimed by Q3 2020/21.
- Connecting Cumbria** the project to support the roll out of superfast broadband is being delivered through Cumbria County Council across Cumbria. This project has been allocated £3,600,000 and a final element of £174,206 is forecast to be spent in 2020/21. The project has exceeded its original outputs and been very successful in extending the reach of superfast broadband across Cumbria

- **M-Sport Evaluation Centre** the MEC project comprises the construction of a 10,723m² Evaluation Centre at the M-Sport Headquarters at Dovenby Hall near Cockermouth and has received an allocation of £1.3m in LGF. The project will lever £23.4m of public and private sector funding, develop 10,723 sq. metres of business space, and create 101 jobs. The project is well underway with a remaining £600,000 to be spent during 2020/21,
- **Carlisle Citadels** is a project to support land assembly to facilitate the development of this strategic site in the centre of Carlisle. £1.7 million has been committed to support land acquisition and demolition of buildings
- **Manufacturing and premises purchase, Clark Door.** The project is nearing physical completion with just £85,000 to be claimed out of this £570,000 grant funded project towards a £3.0 million scheme to expand the businesses manufacturing and development facilities.
- **Dressed to Impress** at Tullie House Museum & Art Gallery is a project supporting the refurbishment at this independent regional museum, to create two innovative costume and textile galleries. Total funding is £215,000 with a remaining £97,000 to be spent during 2020/21

8.5 Some of these projects are likely to face challenges in progress and some slippage due to the impact of Covid-19 on construction activity.

8.6 In addition to these projects, there are several projects that are completed and have claimed all their LGF but where outputs are expected to start being delivered throughout 2020/21 and through to 2025. The principle ones are:

- **Barrow Waterfront**, where £7.2 million has been invested by LGF. This has funded site reclamation and improvement work to transform derelict land into a business park for employment and advanced manufacturing growth, including site clearance and levelling, decontamination work, removal of industrial debris, provision of utilities, landscaping and raised earthworks for flood protection measures. 2019/20 saw the completion of the first new employment space development on with site. Harding Rise House Managed Business Centre utilised investment from the ERDF Programme to deliver 1,494 m² of new premises for growing small and medium sized companies in January 2020 and the site is being actively marketed to other developers.
- The **Advanced Manufacturing Centres** at Barrow College and Carlisle College have seen £2 million of LGF spend and continue to be important centres for learning activity in key sectors.
- **Carlisle Airport** where the £4.95 million of LGF saw the commencement of commercial flights in the summer of 2019, but where Covid-19 will have a major impact on activity during 2020/21.
- **Durranhill Industrial Estate** owned by Carlisle City Council saw £2 million of LGF support for access improvements, site servicing, a new road link and access to release vacant land for development in 2015/16. There continues to be development there with a further 1,500 sqm of new floorspace, 120 new jobs and a further £7 million forecasted for 2019/20.

8.7 CLEP is working with delivery partners on a range of projects that could receive LGF support in 2020/21 that are in contracting or at FBC stage. These include:

- Support of £900,000 towards the development of new Civil Engineering training facilities at Lakes College to meet the need identified for the construction sector in Cumbria.
- A Optimising Connectivity Phase 2: with around £740,000 supporting low-carbon transport improvements in Southern Windermere and near Keswick led by the Lake District National Park Authority to support growth in the visitor economy.
- Around £1.8 million to deliver unlocking infrastructure at Lillyhall North led by Allerdale Borough Council to facilitate the development of this major strategic site near Workington
- Providing £1 million to support investment in Whitehaven town centre to complement the Future High Street Fund bid through bringing forward vital land assembly to underpin the programme
- Supporting Copeland Borough Council's acquisition of Leconfield Industrial Estate in Cleator Moor by providing £1.1 million as part of the development of a new masterplan for the Estate and supporting a key project to be developed as part of the Town Investment Plan.
- An investment of £4.39m in the development of Kendal Business Hub, providing new, flexible business space aimed at new start businesses and growing SMEs.

Monitoring and Evaluation of the LGF

8.8 In November 2019, CLEP received the independent Mid-Term Evaluation of its Local Growth Fund Programme. The Evaluation identified five key recommendations for CLEP to take forward into the final year of the Programme. Implementing these recommendations are being embedded in both the work of the Executive as well as the Investment Panel.



9. OTHER FUNDING OR GROWTH PROGRAMMES

ESIF

9.1 CLEP relies on reporting from central government in terms of progress of ESIF supported activity in Cumbria. It plays an active role in publicising the programme and its opportunities as well as coordinating a range of partners to bring forward viable projects that can deliver against LIS objectives

ERDF

9.2 Based on current exchange rates Cumbria has an allocation of £49 million of ERDF. As of June 2020, across the whole programme £40 million of this allocation (81%) was contracted or in application stage with

- £30 million (61%) was contracted,
- £3.8 million was in a funding agreement in progress or at full application stage (8%) and
- £6.15 million (12%) was in outline application stage,
- leaving £9.35 million (19%) still unallocated.

9.3 The main issue in Cumbria has been in developing projects in Priority 1 (R&D and Innovation) due to the lack of research-based institutions, but some progress has been made over the last 12 months with £4 million at outline application stage, although only 32% was contracted. The CLEP has a particularly healthy pipeline of projects in Priority Axis 4 low carbon.

9.4 Progress and projects of note that are up and running and delivering activity and outputs include:

- The £4.1 million Cumbria Innovations Platform programme (CUSP) being delivered by Lancaster University (and also involving the University of Cumbria) aimed at innovation in SMEs (Priority Axis 1)
- The ICTIS - Information and Communication Technology Improvement Support project delivered by Allerdale Borough Council (Priority Axis 2)
- The Cumbria Growth Hub (see later) and Business Start-up support programmes being delivered by the Chamber of Commerce under Priority Axis 3
- The £2.2 million Eco-Innovation Cumbria programme for SMEs being delivered by the University of Cumbria in Priority Axis 4 which is operational.
- The £7.3 million Low Carbon Lake District programme being run by the Lake District National Park Authority, which is now live.

9.5 Cumbria is making good progress in the delivery of targeted activity in Priority Axes 1 (R&D, and innovation) and 3 (entrepreneurship) through the business support programmes here including the Growth Hub.

Status	1 R&D and Innovation	2 ICT	3 Entrepreneurship	Low Carbon	Climate change adaptation	6 Re-source efficiency	Total
Outline	£4.0	£0.0	£1.7	£0.0	£0.0	£0.5	£6.2
Full Application	£0.0	£0.0	£0.1	£3.2	£0.0	£0.0	£3.3
Funding agreement in Development	£0.0	£0.0	£0.5	£0.0	£0.0	£0.0	£0.5
Contracted	£2.4	£0.5	£12.5	£8.6	£5.3	£0.8	£30.1
Total value all projects	£6.4	£0.5	£14.7	£11.8	£5.3	£1.3	£40.1
Notional Allocation	£7.6	£0.6	£21.0	£13.5	£5.4	£1.4	£49.4
Balance remaining	£1.1	£0.1	£6.3	£1.7	£0.0	£0.1	£9.3
% contracted	32%	84%	59%	64%	100%	54%	61%
% taken up	85%	84%	70%	87%	100%	91%	81%

Source: ESI Sub-Committee, report from June 2020. Note: as of previous quarter

Priority area and measure	Target	Total projects all stages	Contracted	Claimed	As % of target	
					Claimed to date	Contracted
PA1 Number of enterprises receiving support	214	270	120	112	52%	56%
PA2 Number of enterprises receiving support	113	150	150	0	0%	133%
PA3 Number of enterprises receiving support	1,850	2,698	2,079	861	47%	112%
PA4 Estimated annual decrease of GHG (tonnes of Co2)	5,927	984	884	400	7%	15%
PA5 businesses and properties with reduced flood risk	599	1,717	1,717	0	0%	287%

Source: ESI Sub-Committee, report from June 2020.

ESF

9.6 The programme is very largely committed in financial terms. By March 2020 the commitments on participants (25,300 committed compared to overall 27,000 target) is in line with the overall target to 2023 targets. Actual delivery to the end of Q3 2019 of 16,500 participants overall in Cumbria was running at around 60% of the overall target to 2023. Overall, the programme in Cumbria appears likely to fully achieve its spend and participant targets.

Priority area	Total committed (ESF only)	Total claimed (up to Q4 2019)	Claimed a % of committed	2023 Target ESF	Committed as % 2023 target
1.1 Access to employment for jobseekers and inactive people	£10,587	£5,120	48%	£9,465	112%
1.2 Sustainable integration of young people	£1,200	£842	70%	£2,025	59%
Active inclusion.	£2,500	£1,528	61%	£3,329	75%
PA1 Total	£14,287	£7,490	52%	£14,819	96%
2.1 Enhancing equal access to lifelong learning	£16,424	£4,883	30%	£16,230	101%
2.2 Improving the labour market relevance of education and training systems				£2,286	0%
PA 2 Total	£16,424	£4,883	30%	£18,516	89%
Total	£30,711	£12,373	40%	£33,335	92%

Source: Summary of Commitment as at 3/3/2020 from ESI Funds Sub-Committee

9.7 There has been generally good progress in commitment of delivery of the number of participants compared to targets, as outlined in Table 9.4.

Table 9.4: Progress in number of participants

Participants	2023 target	Total committed to date	2023 committed as % of target	Total actual delivered to Q3 2019	Total delivered as % of 2023 target
1.1 Access To Employment For Job-Seekers And Inactive People	9,062	11,191	123%	6,200	68%
1.2 Sustainable Integration Of Young People	2,098	1,124	54%	942	45%
1.4 Active Inclusion	1,771	976	55%	919	52%
PA1 Total	12,931	13,291	103%	8,061	62%
2.1 Enhancing Equal Access To Lifelong Learning	13,886	11,998	86%	8,458	61%
2.1 Improving The Labour Market Relevance Of Education And Training Systems	238		0%		0%
PA 2 Total	14,124	11,998	85%	8,458	60%
Total	27,055	25,289	93%	16,519	61%

Source: Summary of Commitment as at 3/3/2020 from ESI Funds Sub-Committee

Growing Places Fund

- 9.8 The Cumbria Infrastructure Fund (CIF) is the name for the local implementation of the national Growing Places Fund. The fund was established to promote the delivery of key infrastructure needed to unlock developments that help generate jobs and homes. The total amount of funding awarded was £6.1 million and was established to act as a revolving fund to allow future investments to be made once returns to the programme are made. Funds have already started to be reinvested as the programme has committed a total of £8.7 million to projects.
- 9.9 At present CLEP currently has over £1.6 million of CIF funding available to support new projects. However, the use of this fund has not been a priority given the need to make full use of LGF allocation in 2020/21. No projects had been identified for investment in 2020/21. CIF would be deployed if there was potential overspend on LGF as a result of the need for overprogramming to achieve end of programme spend.

Northern Cultural Regeneration Fund (NCRF)

9.10 Cumbria has been awarded £3.2 million in funding from the NCRF which is supported by DCMS. This funding is supporting three NCRF projects:

- **Windermere Jetty Museum of Boats, Steam and Stories** has been allocated £2.3 million in NCRF support which has helped contribute to the overall £20 million cost of the project. The new museum at Windermere Jetty replaces the former Windermere Steamboat Museum and opened to the public in March 2019. By the end of 2019/20 the project had received £2.014 million of the grant approved, and it is expected that the project will complete in 2020/21. The project will support 29 FTE jobs and is expected to receive around 120,000 visits per year. It welcomed more than 45,000 people in its first eight months after opening.
- The **Reimagining Wordsworth** project will transform the Wordsworth Museum in Grasmere, which holds the finest collection of Wordsworth's manuscripts anywhere in the world. The project has been allocated £495,000 in NCRF support, and by the end of 19/20 had received £267,000 of the grant approval. It is expected that the project will complete in 2020/21, and it aims to support creation of 5 FTEs and 16,500 additional visitors.
- **Abbot Hall** is home to a significant visual arts collection in Kendal. The project will enable the museum will undergo vital refurbishment across its Main Galleries; create a new Project Space for exhibitions and artist residencies, community projects and workshops; and achieve full accessibility across the buildings and site. The project is expected to be undertaken in 2020/21, and is expected to receive £495,000 in NCRF support.

Enterprise Zone

9.11 CLEP secured Enterprise Zone status for Kingmoor Park in Carlisle. The EZ became operational on 1 April 2016 for a 25-year period, offering a combination of business rates relief and capital allowances. The EZ site is 122 hectares in total of which 49 hectares are already developed.

9.12 Kingmoor Park is located just off Junction 44 of the M6, and has the potential to create an additional 3,000 jobs in advanced manufacturing, nuclear supply chain and logistics. It is highly accessible and offers considerable opportunity to attract new investors to the County and offer grow-on space for existing businesses. CLEP worked with partners at Carlisle City Council and Kingmoor Park Properties to secure inclusion within the Northern Powerhouse Area of DIT's Capital Investment Portfolio in February 2020. This is shared via DIT with international partners considering investment in the North of England.

9.13 The priority in 2020/21 will be as follows.

- Continued engagement with central government on resetting the EZ baseline.
- Engagement of a development partner to take forward the new commercial masterplan. Covid-19 is likely to lead in a shift in demand towards the logistics sector, increasing the need for large-scale storage and distribution facilities. Therefore, the masterplan will need to be flexible.
- Completion of the delivery of the MODVillage (1,670 sqm "business village" made from recycled shipping containers) which started in 2019/20

- Completion of a new 1.6 hectare solar farm site to enable the business park to operate as much as possible from renewable energy
- Further development of the proposals for an Energy from Waste plant on the site by Verus Energy.

Business support

Cumbria Growth Catalyst

9.14 Cumbria County Council received the annual offer letter for funding of £246,000 in February 2019 from BEIS, following approval of the delivery schedules jointly submitted by CLEP and the Council. During 2019/20 the revised final targets for the Growth Catalyst were:

- 556 Medium Intensity Assists (Diagnostics) – delivered 523
- 128 Intensive (Scale-Up) Assists .- all were delivered
- 32 Workshops - all were delivered

9.15 As a result of EU Exit late in 2019/early 2020 causing a delay to business planning, and COVID-19 impacting at the very end of the Financial Year, 33 less than targeted medium intensity assists were delivered, but these were rolled into the targets for 2020-21.

9.16 In January 2020, a further offer of £246,000 to support Cumbria Growth Catalyst was received, The subsequent contract with Cumbria Chamber of Commerce to deliver the service for 2020/21 had the following performance targets of:

- 538 Medium Intensity Assists (Diagnostics)
- 121 Intensive (Scale-Up) Assists.
- 24 Workshops.

9.17 The Evolutive CRM system introduced in 2019/20 has been extremely helpful in providing CLEP with real time access to data and to support the monitoring of contractor performance, sectoral and geographical distribution of support and to facilitate reporting to BEIS. The CRM is now being extended for the use of two additional CLEP business support programmes: Business Support and Advice Programme (based on Supplementary Funding from BEIS) and Peer Networks Programme (based on funding from BEIS). CLEP is also applying for licenses to use the CRM as a wider business database and engagement monitoring system.

9.18 Amion conducted an interim independent review during 2019/20 as planned. This review confirmed the satisfactory delivery of the programme and positive feedback from businesses receiving support.

Supplementary Funding

9.19 The Supplementary Funding Programme is a triage and medium assists offer which can then signpost to offers of additional support through the wider business support ecosystem in Cumbria, but also has the unique offer of professional services support where it is identified as a critical business need. The agreed annual targets are as follows:

- 404 businesses triaged
- 553 Medium Intensity Assists (Diagnostics / professional services support)
- 18 Business Recovery Workshops / Masterclasses

9.20 This newly established business support programme is now under way, with a number of businesses already triaged and receiving support and diagnostics.

Peer Networks

9.21 This programme has committed to the engagement and participation of 100 Cumbrian businesses through the programme with 18 hours of workshops and additional hours of coaching and mentoring are to be delivered by expert facilitators. This programme was contracted at the end of Q2 2020/21, and will be delivered by delivery partners between November 2020 and the end March 2021.

9.22 CLEP's new Project Manager for Business Support, has experience in managing Peer Network Programmes and has already begun managing the programme recruitment and delivery partners to ensure targets are met and businesses obtain value from the programme.

Career Hub/Enterprise Advisors

9.23 The Enterprise Adviser Network (EAN) was launched in Cumbria in 2016. It is a programme that focuses on developing a national network that connects schools and colleges with employers and careers programme providers and supports them to work together to provide young people with effective and high-quality encounters with the world of work. This work was undertaken in partnership the Careers and Enterprise Company.

9.24 In July 2018 building on this work, CLEP with the backing of local education and skills partners, employers and stakeholders was successful in its bid to take part in a national pilot to establish a Careers Hub. The purpose of the Career Hub is to transform careers education for young people through:

- Continued building of networks across schools, colleges to employers and other external careers advisers
- Supporting careers leaders – by providing training and support
- Supporting schools and colleges to achieve the eight Gatsby benchmarks- Indicators of good quality careers advice by supporting and developing excellence and innovation in practice.

9.25 During 2018/19 the Hub lead was recruited and 40 schools and colleges were engaged with the Hub. The target is to ensure all schools and colleges are matched to an enterprise adviser by July 2019, although this has not been fully achieved with some gaps in coverage. The Careers Hub programme at this stage is set to run until August 2021 as is the national commitment to the Enterprise Adviser Network.

9.26 Targets for 2019/2020 (Academic Year) were:

- 90% of all Hub institutions fully achieve the Gatsby Benchmark 5 (for encounters with employers and employees) – Not achieved due to Covid-19
- No Hub schools/colleges scoring in the 0-25% category for benchmark 5 - Achieved
- 60% of all Hub Institutions to have achieved Gatsby Benchmark 6 (Experiences of the workplace), A further 35% of Hub institutions partially achieve benchmark 6- Achieved
- An average of 6 Gatsby Benchmarks by all Careers Hub schools and colleges and full achievement of all 8 benchmarks by lead schools / college. Not achieved 4.3 average benchmark. (The Career Enterprise Company and DfE acknowledged that achievement of this target was impacted on by Covid-19).

9.27 The targets for 2020/21 are as follows:

- 80% of all Hub institutions fully achieve the Gatsby Benchmark 5 (for encounters with employers and employees)
- 70% of all Hub Institutions to have achieved Gatsby Benchmark 6 (Experiences of the workplace), A further 30% of Hub institutions partially achieve Benchmark 6
- An average of 6 Gatsby Benchmarks by all Careers Hub schools and colleges [and full achievement of all 8 benchmarks by lead schools / college].
- Stakeholder satisfaction: 70% or higher Enterprise Advisers satisfaction and 70% or higher school and college satisfaction.

9.28 As a likely consequence of Covid-19 is that it will impacted on the delivery of these targets. Work within the Hub will focus on helping to mitigate the risks for 2020/2021 by exploring virtual routes for delivery.

Skills Advisory Panel

9.29 CLEP will receive a £75,000 budget towards the work of the Skills Advisory Panel (SAP) from Department for Education during 2020/21. SAPs are local partnerships that strengthen the link between public and private sector employers, local authorities, colleges and universities. They operate at a local level through LEPs to ensure local people are trained for jobs that are available.

9.30 The Cumbria LEP People, Employment and Skills Strategy Group (PESSG) fulfils this role for Cumbria bringing together employers and leaders from schools, Colleges, Universities, independent private training providers, voluntary and community sector, local authorities and Government Departments to ensure that education, skills and employment support providers are assisted to tailor provision to the needs of the current and future workforce to support sustainable and inclusive economic growth. It will work with businesses to understand their employment and skills needs and encourage the continued upskilling of individuals to drive productivity and business growth.

- 9.31 In delivering this role the PESSG has developed an evidence base that underpins the skills priorities set out in the draft Local Industrial Strategy and implemented a programme of work to deliver on these priorities. Having created a robust evidence base the work of the SAP will move to the development of a Local Skills Report setting out a clear and consistent view of local skills needs across areas in a relevant and engaging format for local partners. This report will be a key source of local skills information to facilitate curriculum development to meet identified needs, local intelligence to the Department for Education's Skills and Productivity Board and showcase the range and impact of high quality skills provision across Cumbria.
- 9.32 Through 2020/21 the PESSG will maintain the leadership and interpretation of skills analysis during the pandemic to identify immediate challenges which needed a skills response, leading on the development of the response, understanding the implications for the skills system and supporting/promoting implementation. This has resulted in PESSG developing, implementing and supporting a range of skills interventions to support young people, employers, employees and unemployed residents in this difficult time
- 9.33 The priorities for work in 2020/21 are:
- Develop scenario planning and forecasting capability for post-16 education and training
 - Support the delivery of the transition project for years 11 and 13 into Further and Higher Education working through the Sector Panels (programme of support focusing on providing information, advice and guidance and a range of activities to engage learners in vocational education across 10 sectors prior to transition)

International Trade (DIT)

- 9.34 During 2019/20 CLEP had re-commenced Northern Powerhouse Key Account Management (KAM), after a period of non-engagement.
- 9.35 A KAM post has been created and CLEP has engaged with 35 companies during 2019/20 and during 2020/21 has an agreed target of engaging with 30 via the KAM paid for by the £48,000 budget from DIT. During 2020/21 the LEP will finalise the Internationalisation Strategy and start to address the key actions and opportunities that this

CUMBRIA
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ANNUAL REPORT 2020

CONTENTS

CHAIR'S FOREWORD	3
MEET THE BOARD	4
CHIEF EXECUTIVE'S OVERVIEW	6
ECONOMIC OVERVIEW	7
OUR VISION	10
CORONAVIRUS RESPONSE	12
PEOPLE AND SKILLS	20
INNOVATION AND IDEAS	24
BUSINESS ENVIRONMENT	26
INFRASTRUCTURE	27
PLACES	29
SECTOR PANELS	31
KINGMOOR PARK	36
INVESTMENT FUNDING	37
FORWARD LOOK 2021	40
GOVERNANCE	41
ACCOUNTS	43
MEET THE TEAM	45
THANK YOU TO OUR GROUP AND PANEL MEMBERS ..	46

CHAIR'S FOREWORD



Lord Inglewood

2020 has been a year like no other and given the challenges that COVID-19 has presented for Cumbria's economy, businesses and people, much of CLEP's resource, focus and energy has rightly focused on this. At the outset of the year, none of us could have envisaged what would unfold and the impact that this would have on all of our lives. This impact has been felt deeply in Cumbria with some sectors, particularly the visitor economy and arts and cultural sector, being very badly affected.

COVID-19 has inevitably meant that CLEP's priorities have shifted to concentrate on supporting Cumbria and its businesses to manage through lockdown and respond to the subsequent significant contraction of the economy.

CLEP led the Business and Economic Response and Recovery Group (BERRG), which brought together businesses, sector leads, business representative organisations, the public and voluntary and community sectors to ensure that mitigation actions were in place to protect our businesses; communications were in place to make sure that businesses understood what support was available and were learning from what their colleagues were doing; assessing the economic impact of COVID-19 in real time; and starting the recovery planning process.

It is clear that partners have found BERRG's work valuable and that Cumbria has played its part in helping to shape government's economic response. However, BERRG would not have been able to do what it has done without the excellent support of all of its members, who have actively contributed their time, intelligence and wholehearted commitment to making sure that the issues affecting Cumbria's businesses were listened to, heard and addressed through appropriate and timely interventions. I would like to also thank all of CLEP's governance bodies for the role that they have played in the recovery planning process – their commitment has been outstanding.

Turning to CLEP itself, the transformation that started on my arrival has continued, with government recognising this in awarding CLEP exceptional for its governance arrangements in its 2019/20 Annual Performance Review, which was very much welcomed. Over the past twelve months the Executive team has continued to grow, in order to make sure that CLEP can deliver more for Cumbria's economy and businesses, with the focus over the coming months and years being very much on economic recovery.

My attention and that of the Board is increasingly turning to the end of the transition period following Brexit and the implications of this for Cumbria's economy, dependent on the outcome of government's negotiations with the European Union. Again, we will look to work collaboratively with all of our partners to assess the implications and to mitigate the possible challenges.

Clearly, CLEP's contribution has been down to the Board and the Executive and I would formally like to place on record my thanks to the Board for all of their support and work on behalf of Cumbria's economy and the Executive Team who have worked tirelessly over the past twelve months. I would also like to formally record my thanks to Professor Patricia Livesey, who stood down from the Board during the course of year and welcome Lorraine Smyth, who replaced her as the Voluntary Community and Social Enterprise representative.

Finally, in my Foreword to the 2020 Annual Report I said that 2020 looked set to be an interesting year, and nobody could have appreciated quite how - let us all hope that 2021 is slightly less so! However, I am confident that by working together we can address whatever challenges we might face and ensure that Cumbria's economy recovers and moves forward in 2021.

With all best wishes.

MEET THE BOARD

Lord Inglewood Chair

"When I wrote a few words in last year's Annual Report on the previous year's activities, nobody could have guessed at what 2019/2020 has brought. In the face of one of the most serious national crises of past centuries, I can say without hesitation that Board members and staff have, each and every one, 'gone the extra mile' to respond to COVID-19 and to work for recovery. They all have my thanks. Things will not be easy, but we can and must get through a chapter in our county's history which will not be easy, but which will set a framework for many years to come."



Stewart Young Vice-Chair, Cumbria County Council

"A year ago, the biggest challenge facing the Cumbrian economy was the impact of leaving the European Union. Twelve months on that challenge remains, with or without a deal, but it is compounded by the devastating impact of the coronavirus pandemic. The Cumbrian economy has been dealt a severe blow, from which it will take many years to recover. Never has the work of CLEP been more important, as we look to chart a path towards recovery, helping businesses to change and to grasp opportunities wherever they emerge. I look forward to playing my part in that difficult but essential journey."



Graham Booth Board Director of E. H. Booth and Co. Ltd

"The LEP demonstrated its ability to respond to what became a rapidly emerging crisis at the start of the year. By gathering a huge amount of intelligence across all sectors of the Cumbrian economy, we have been able to provide reassurance and practical help to business as well as channelling feedback to government with one clear voice. I believe that we must be agile in order to remain relevant and by doing so will continue to provide support and leadership over what we all expect to be a further period of volatility."



John Coughlan Managing Director, TSP Engineering

"From Brexit to COVID-19, the last year has been full of challenges for the manufacturing sector and the coming year will have even more. We are heading into a difficult economic climate where manufacturing sectors will be reevaluating their supply chains as 2020 has exposed vulnerabilities of the present situation. Businesses will diversify and begin to bring manufacturing back closer to their core operations, which will bring opportunities. There will be a great level of retraining required to reskill workers losing their jobs in some sectors to allow them to be retrained. So alongside challenges, there will be opportunities too and I think that this is where CLEP can make a difference in successfully supporting and kick starting Cumbria's economy."



Carolyn Dodwell Business Consultant and CLEP SME Representative

"I was delighted to be appointed to the Board last year and have enjoyed working with talented colleagues and gaining more insight into the region and its many advantages and challenges. As the new Chair of the Business Strategy Group, I am working with a wide variety of people across the region whose different businesses and sectors illustrate how diverse and complex Cumbria is. Charing many of the weekly business zoom clinics which we developed, I have met some amazing people (speakers and participants), many of whom have demonstrated exceptional resilience, innovation and community wellbeing. I look forward to the year ahead and playing my part in Cumbria's future success."



Jim Jackson Deputy Chair and Chief Executive of Fourwinds60 Consulting Ltd

"It has been an exciting first year as Deputy Chair. Our Investments through the Growth Deal continue to enable and safeguard jobs, housing and connectivity, supporting economic growth. An additional £10.5m to support COVID recovery is very welcome. We remain committed to spending all our Growth Deal funding by March 2021. Recent involvement with the Clean Energy Sector Panel has crystallised for me the great opportunity we have in Cumbria to make a massive contribution to the UK through the generation of clean energy, wind, hydro, nuclear. Net Zero Carbon has been a growing theme over the year and I expect it to be increasingly at the heart of everything we do."



Peter Allen Lake District National Park Authority

"As Chair of the Places Strategy Group, I have been pleased to see the progress made this year on Cumbria's Town Deals and Future High Streets Fund as well as the development of Cumbria's Housing Delivery Strategy. Together this work presents tremendous opportunities for the county's economy and communities. Since the COVID-19 global pandemic, I have been proud of the fireless and proactive multi-agency approach taken in Cumbria at both strategic response level and in the actions developed to support the re-start of our vital visitor economy. This year, I look forward to seeing the continuation of this important work, building on the breakthroughs that multi-agency working has achieved."



Steve Cole Chief Infrastructure Officer, Bae Systems Marine Ltd

"Completing my first year as a member of the CLEP Board has been a real privilege and given me a fresh insight to the challenges and opportunities facing Cumbria. The Board formed very well as a team, helping us adapt to play our role in the COVID-19 response and now recovery. The crisis has highlighted where our industrial base is resilient and adaptable and where it is less so. Learning the lessons will help refine the Industrial Strategy, creating a more resilient economy. I am positive about the future - we have the right strategy combined with a team committed to deliver."



Dr Steve Curl Private Equity Chairman

"The past year has seen good progress on transport and infrastructure projects, most notably funding for the next stage of improving the Cumbria Coastal Line. We continue pushing for further investment in active travel, rail, roads and digital connectivity. With the Government's emphasis on infrastructure projects to support the post-COVID economy, we expect to progress further projects in the current year. The new Growing Our Potential grant funding has already supported growth for more than a dozen SMEs in manufacturing, food and drink, the visitor economy and the arts. I look forward to a continuing focus on sustainability, inclusivity and carbon reduction in all our activities."



Prof. Julie Mennell, PhD Vice Chancellor, University of Cumbria

"For many reasons, 2020 has been a significant one for CLEP. Alongside playing key leadership and support roles within and across sectors to support Cumbria's COVID-19 response and recovery, it has further put Cumbria on a very firm footing to deal with the period ahead. With a very strong leadership team and Board in place, all committed to Cumbria, its economy and communities, we can be confident we have the resource and expertise to deal with our immediate challenges and position our county for future growth and prosperity."



Emma Porter

Construction Director, Story Contracting

"COVID-19 meant a huge shift in priorities and activities this year but the data gathering, support and online clinics hosted by the LEP along with the BERRG meetings played an important role. The sector panel shared guidance early on and a clear path to recovery is emerging. I believe that, as well as being incredibly challenging, there will be some benefits ultimately and some positives will begin to emerge. And I believe we will be in a good position to embrace the opportunities and changes for a more sustainable, collaborative and balanced future."

**Lee Roberts**

Barrow In Furness Borough Council

"2020 is a year none of us will ever forget. Many of us lost loved ones and have seen others become ill from the coronavirus pandemic. Everyone's lives changed. Public and private sector organisations reacted to the crisis and focused on protecting people. Charity and community groups responded to provide vital help and support. Along with CLEP, all these different groups came together in ways previously considered impossible to strategically identify and tackle the problems. This included coordinating PPE supplies, providing essential information and messaging along with addressing the ongoing severe economic impact to businesses and residents of Cumbria."

**Mary Robinson**

Eden District Council and CLEP's Rural Champion

"The challenges faced during the last year have been unprecedented in modern times. Our rural sector businesses rose to the challenge and many played a key role by evolving their business models whilst dealing with massive uncertainty and difficult circumstances. As the Environment Bill and Agriculture Bill move towards Royal Assent, we must have a clear strategy in place to support our rural economy, ensuring access to the skills and knowledge needed to deliver high quality food production whilst enhancing landscape and biodiversity as we move towards the future target of net zero carbon emissions. With existing rural projects now in place through Heritage Lottery Funding and the Borderlands Growth Deal, and more projects under development, we have a busy and exciting year ahead."

**Mike Smith OBE**

Business Consultant

"The past 12 months has been dominated by the COVID-19 pandemic and its impact on the health of people and economic prosperity of the county. March saw the closure of schools and colleges for all but the most vulnerable of students and children of key support workers. A huge amount of work was done to move students to on-line study to maintain their education, and the success of this is a testament to the professionalism and dedication of educationalists across the county. We will continue to work with partners to mitigate the worst effects of the pandemic and ensure we give both our young people and adult unemployed the best possible opportunities to train and retrain and secure a long-term future."

**Lorraine Smyth**

Chief Executive, Action With Communities In Cumbria

"I joined the Board just before a time of significant challenge with an accelerated, direct role in reflecting on and mitigating the economic impacts of the COVID-19 pandemic. It has been a period of intense learning and amazing partnership working. The opportunity to input on third sector and community issues during this time has been significant. I am sure this positive working practice will continue, and I look forward to working with fellow Board members to embed the role of the sector in the economic future of Cumbria."

**Mayor Mike Starkie**

Copeland Borough Council

"I am delighted that CLEP has endorsed the Nuclear Prospectus. Nuclear provides the bedrock of the West Cumbrian economy and the opportunity to build on that is huge. This year will be my second and final year on the LEP and I would hope we can see some positive impact from the Growth Deal and the LEP actively supporting devolution in Cumbria."

**Sarah Swindley**

Chief Executive of the Lake District Foundation

"A prosperous economy that values and enhances our natural environment and is committed to green, inclusive growth has never been more important. This year, CLEP and its partners have made great strides towards achieving this and we have a clear leadership role to fulfil. Our businesses continue to innovate and come together for the benefit of our communities even in the most challenging times. We have much work ahead of us to ensure that the skills and ambitions of our young people match the needs of our businesses and that the wellbeing of residents is enhanced by our economic activity. I am confident that at CLEP we have the right people to do this and am proud to play my part."

**Rebecca Weston**

Chief Operating Officer, Sellafield Ltd

"While 2020 hasn't turned out as I think anyone could have predicted, there is an increased recognition and indeed commitment to resolving the twin challenges of inclusive and clean growth. The Clean Energy panel continues to broaden its remit and membership across existing and new clean energy system opportunities; offshore wind, hydrogen, nuclear amongst them. A key step forward this year, despite everything, is the issue of our Nuclear Prospectus, building on and leveraging our world-class capabilities, as well as attracting new investments to Cumbria. Into 2021, I look forward to promoting further collaboration across the different industry sectors."

**Andrew Wren**

Principal and Chief Executive, Furness College and CLEP's Diversity Champion

"I am delighted to have contributed to another successful year on the LEP Board. However, it is clear that the last few months have been an extremely difficult situation which none of us has encountered before and I am positive that the contribution and leadership of CLEP will help the county recover as well as any other area of the UK. I will play my part to contribute to education and skills development to support our young people to gain meaningful qualifications needed by employers and for adults to reskill where necessary to aid Cumbria's short- and long-term prosperity."

**Nigel Wilkinson**

Managing Director, Windermere Lake Cruises Ltd

"The impact on the Cumbrian visitor economy of the COVID-19 pandemic has been devastating. This has necessitated support during the period of enforced closure and the development of a comprehensive plan to restart, reboot and rethink the sector. Cumbria's spectacular landscape and world class visitor experiences have made it one of the United Kingdom's leading destinations. Despite the current challenges, the sector has the fundamental strengths to make a sustainable and inclusive recovery, and to continue to deliver economic benefit and employment to our communities. Working with partners, our focus will be to provide the leadership to deliver that recovery."



CHIEF EXECUTIVE'S OVERVIEW



Jo Lappin

2020 has been a very different year from the one that I imagined at the start, which was very much based on delivering the growth ambition outlined in Cumbria LEP's (CLEP's) Local Industrial Strategy and building on the strong foundations that were established in 2019. Instead, my absolute focus has been on responding to the COVID-19 pandemic, not only in my role as Cumbria LEP Chief Executive but also as the Chair of the Business and Economic Response and Recovery Group (BERRG), which has led the response and recovery to COVID-19. The members of BERRG have been outstanding bringing their energy, intelligence and expertise to secure the best package of support for Cumbria's economy and businesses.

It has also been a privilege to be a member of the Local Economy Recovery Group, a national body, which advises Ministers on economic recovery. CLEP has been one of only two LEPs on the Group, which is hopefully an indicator of the value that partners in Cumbria have brought to economic recovery.

The impact of COVID-19 has adversely affected every economy, including our own here in Cumbria, causing significant challenges for our businesses, workforce and sadly serious hardship for some. At this point in time it is clear that recovery will not happen as quickly as we would like and it is therefore extremely fortunate that we have excellent businesses that are committed to **'restarting, rebooting and rethinking'** Cumbria's economy going forward. Clearly, CLEP stands ready to provide support at every step of the way.

I am extremely grateful to the members of CLEP's governance bodies, who have increasingly turned their attention to reviewing and developing their own sectoral or thematic recovery plans to respond to the impact of COVID-19. All members have dedicated significant time, energy and commitment to doing this at pace, in the interest of Cumbria's economy, businesses and workforce.

CLEP has continued to take seriously our commitment to good governance and has welcomed the joint scrutiny arrangements provided by all seven Cumbrian Local Authorities through the LEP Scrutiny Board. This has proved extremely valuable, as has the Scrutiny Board Chair's scrutiny oversight during lockdown.

CLEP remains collaborative and has continued to engage with a wide range of partnership bodies, to make sure that we are looking upwards and outwards, including engaging in the Borderlands Inclusive Growth Deal, NP11 (the 11 LEPs in the Northern Powerhouse geography), the national LEP Network and other individual LEPs on issues of mutual interest. Inevitably, CLEP has also needed to focus on some internal matters as we completed our first full year of operations as a company limited by guarantee. It was very pleasing to see our Executive team fully bed in and make significant progress in delivering CLEP's ambitious work programme. Equally pleasing was the positive endorsement of our systems and processes and as a consequence the clean bill of health that we received for our first statutory accounts for the 2019/20 financial year.

Finally, I would like to offer my thanks to the CLEP Board for their commitment, direction and support and to the Executive team for their unstinting hard work over what has been one of the most challenging periods in recent history.

With all best wishes.

ECONOMIC OVERVIEW

Cumbria's economy in 2020

Inevitably, any review of Cumbria's economy this year is dominated by the impacts from COVID-19. In last year's Annual Report, prior to Covid-19, our economy was noted as in reasonable health, albeit facing a number of longer term challenges.

The economic effects of COVID-19 really started emerging in March of this year, and by the end of that month, the UK society and economy was in complete lockdown. Consequently, by the end of April UK economic output had fallen by around 25% compared to February 2020.

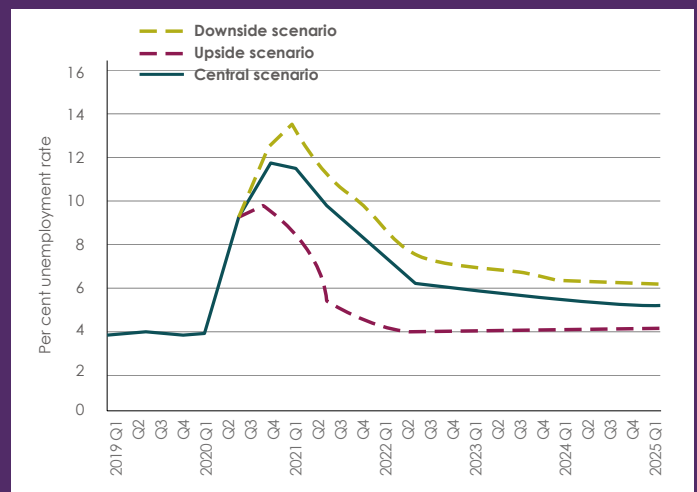
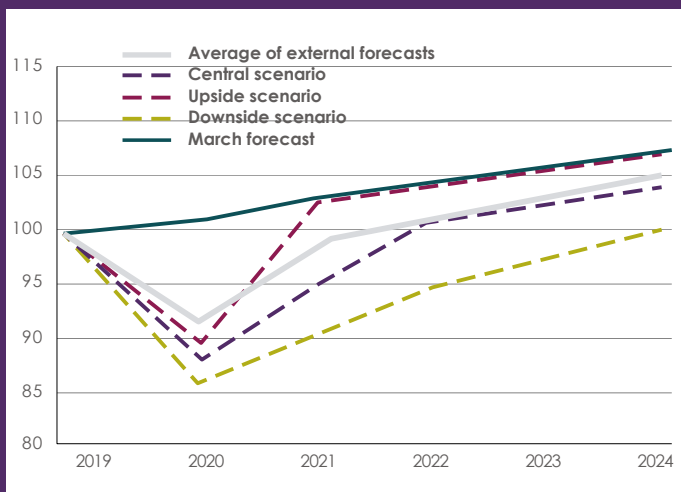
At the time of publication, there remains very considerable uncertainty as to the full economic impacts of COVID-19 at a UK level during the rest of 2020 and beyond. In July 2020, the Office for Budgetary Responsibility¹ (OBR) suggested three scenarios for the effects of Covid-19 ("downside", "central" and "upside"). Their scenarios suggested that, by the end of 2020, the fall in overall output compared to 2019 could range from 11% to 14%. However, under all scenarios, UK unemployment would rise to 10% by the third quarter of 2021.

The economic impacts of COVID-19 have had a particularly Cumbrian dimension. By and large, the work by CLEP on assessing the impact of COVID-19 on Cumbria has concluded that within each sector the effects have been similar to those at a UK level. Overall, the rate of contraction of our economy is likely to be broadly in line with the UK as a whole². Other high level comparisons using very broad data have tended to overstate the relative degree of vulnerability of our economy.

Our very distinct sectoral composition explains how the economy overall and our local areas have performed. Although all sectors of the economy have been impacted, the most adverse effects have been on people-facing sectors, where there is the closest social contact. At a national level, the accommodation and food and the arts and entertainment sectors have seen the highest proportion of firms cease or pause trading and use the Coronavirus Jobs Retention Scheme (CJRS) to furlough workers. In Cumbria, our visitor economy entered a deep freeze in March that lasted to the end of June. Once restrictions were lifted as from the beginning of July, visitors started returning to the Lake District and Cumbria and the sector started to recover.

The economic effects of COVID-19 really started emerging in March of this year, and by the end of that month, the UK society and economy was in complete lockdown. Consequently, by the end of April UK economic output had fallen by around 25% compared to February 2020.

Scenarios for medium term path of UK economic output and unemployment to 2024



Source: OBR, July 2020

¹ Fiscal sustainability report – July 2020

² Experian's June 2020 estimates were for a £1.7bn or 15% fall in Gross Value Added in 2020 compared to 2019 in line with the estimated GVA fall for the whole UK

Cumbria entered COVID-19 with a "tight" labour market overall, i.e. with generally low rates of unemployment and high rates of economic activity. By June 2020, the number of unemployment claimants had doubled to 14,000 or a rate of 4.7%. However, this rate was well below the national rate and had risen at a slight slower rate³. These initial effects were not evenly spread across the economy and there have already been noticeable increases in unemployment in those parts of Cumbria most dependent on tourism (Eden and South Lakeland) and amongst those aged 16 to 34.

Four waves of our real-time business tracker for Cumbria were carried out from early May to early July during the height of the lockdown. Over this period, gradual improvements have emerged in the proportion of business trading, in levels of trade and in business confidence. It has evidenced high levels of take-up by Cumbria firms of national support measures such as the furlough scheme, grants and the Bounce Back loan for small businesses. The take-up of loans has been accompanied by reductions in available funds for many businesses to deal with business challenges going forward. In the tourism sector and those parts of our economy supporting it, the prospects of a year of 'three winters' is a serious concern for businesses with few or no cash reserves.

There has been a high take-up of the government's furlough scheme by employers in Cumbria, with at the end of June 2020, 73,400 jobs furloughed amongst our residents. This equated to 32.3% of total potential jobs, some 9% higher than the national take-up rate (29.7% for England). This is an important indicator of the potential vulnerability of parts of the economy as the furlough scheme unwinds during the autumn.

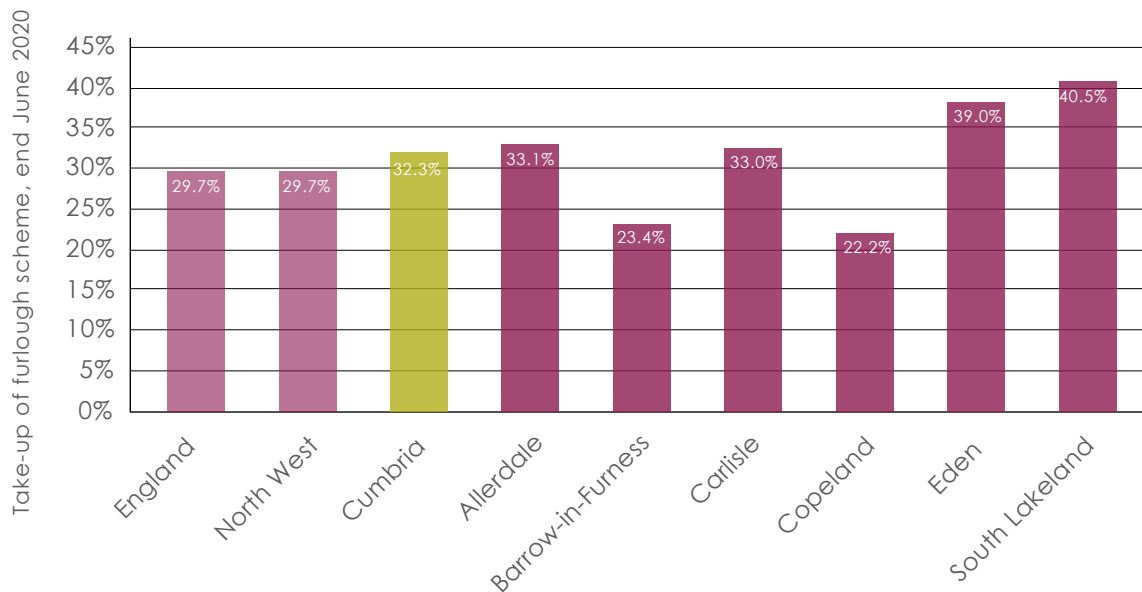
The localised concentration of our tourism economy is reflected in rates of use of the furlough scheme in South Lakeland and Eden, which are the two highest areas in the UK (over 30% above the national rate). Carlisle and Allerdale also feature above average take-up rates. However, in Barrow and Copeland the rates of take-up are some of the very lowest in the country reflecting the different drivers of these local economies and the relative degree of insulation these economies have, given their reliance on the shipbuilding and nuclear sectors.



BAE Systems, Barrow – a key component of the South Cumbria economy

³ Which was 6.4% of claimants (as a % of all those aged 16 to 64)

Rate of take-up of COVID-19 Job Retention Scheme, end of June 2020



Source: HMRC CJRS Statistics. Note: data is collected by place of residence of employees. It measures the actual take-up of furloughed jobs as a % of potential total jobs.

The emerging economic lessons from Covid-19

Covid-19 has thrown into sharp relief the very different drivers of specific parts of the Cumbrian economy. It has also identified a number of future-facing issues and opportunities:



The critical importance of good digital connectivity for business and homes alike to provide business resilience and to be able to trade and work successfully in a digital age.



The greater use of digital communication has, in a positive way, underlined that Cumbria's relative physical distance from major centres of population need not be a barrier for successful business operations.



Similarly, the potential for Cumbria to attract more home-based skilled workers is clear given our great quality of life offer and available space compared to cities together with the changes in the approach to organising work.



The accelerated changes in how people shop and travel to work is affecting our town and city centres whose future roles and functions need to be rethought.



The strong community-based response and excellent working across organisations and businesses.



The need to re-think old business models and ways of operation across the public and business sectors.



Cumbrian businesses have had to adapt their ways of work in the face of the pandemic

OUR VISION

Restart, Reboot, Rethink – A Pathway Back to Cumbria's Vision



CLEP's vision for Cumbria remains unchanged, which is to be:

*"The place to live,
work, visit and invest
sustainably - where
exceptional industry
and innovation meets a
breathtakingly beautiful
and productive
landscape"*

This vision remains realistic, achievable and grounded as it is based on Cumbria's unique economy and geography, which brings together wide and varied employment opportunities within a beautiful, clean and affordable location. Clearly, COVID-19 has had a significant impact on Cumbria's economy, with "Restart, Reboot, Rethink – A Plan for Cumbria's Economic Recovery" providing the pathway back to the ambition within the vision.

Cumbria has adopted a simple recovery model, based on restart-reboot-rethink. This recognises that recovery from COVID-19 will not follow a standard major incident trajectory, but will be an iterative and potentially longer term process. The Cumbrian recovery model is based on three different phases, which will operate in parallel, but at different speeds in both the economy as a whole and in different sectors within it. These phases are:

- **Restart** – getting the economy moving and leaving behind the emergency response phase.
- **Reboot** – defining a new path towards realising the Local Industrial Strategy (LIS), recognising that the economic landscape has changed significantly since the initial LIS development phase
- **Rethink** – New ways of looking at policy and economic activity, identifying opportunities and catalysing them locally if not nationally.

In taking forward this work the three strategic touchstones of productivity, inclusive growth and net zero carbon reduction will remain in focus as will government's priority for levelling up. However, in the short to medium term, the overriding priority is to preserve businesses and jobs, given the significant projected adverse impact on Cumbria's

economy. CLEP's focus on business and job protection will help to mitigate the serious health and wellbeing impacts caused by recession, which are likely to fall disproportionately on certain groups and undermine inclusive growth.

Each of the three phases have been considered from the following perspectives:

- **Mitigation** – ensuring that all actions to minimise impact and support businesses and the economy have been identified and taken.
- **Access** – getting people to, from and within employment and leisure locations in a safe and sustainable way.
- **Communication** – getting the right messages to the right people at the right time.
- **Measures** – taking all necessary measures to protect employees and customers in a way that is financially viable.
- **Attitude** – Developing measures to restore public confidence in returning to employment, retail and leisure.
- **Policy** – identifying opportunities and challenges to support post-response activity.

The framework will operate from both a strategic top-down level and an operational bottom up level, with detailed plans being developed by each of CLEP's governance bodies.

The Reboot considers the previously agreed LIS priorities to deliver the vision and re-prioritises these in the light of COVID-19 with focus and resource to be deployed accordingly.

Promoting Cumbria	Innovation and Ideas	People and Skills	Business environment	Infrastructure	Places
PC1: Develop Brand Cumbria to effectively markets Cumbria's enviable offer H	Id1: Anchor more R&D activity M	Sk1: Make best use of available talent (amongst the workless and older residents) M	BE1: Develop and nurture a stronger enterprise culture in Cumbria L	Inf1: Improve our digital connectivity H	PI1: Address cold spots of worklessness and social deprivation in Cumbria H
PC2: Develop soft landing packages for those re-locating to Cumbria L	Id2: Operate as the national testbed for new ideas L	Sk2: Develop and retain higher level skills in our economy H	BE2: Increase the rate of fast growing businesses in Cumbria L	Inf2: Invest in road and rail to facilitate growth and productivity H	PI2: Support local place shaping programmes M
PC3: Promote Cumbria as the place where outdoor lifestyle meets technology businesses M	Id3: Commercialise our excellent innovation and ideas M	Sk3: Create the future workforce and skills to meet the needs of our economy M	BE3: Develop strong and productive sectors and networks H	Inf3: Develop products and interventions to increase housing delivery M	PI3: Encourage housing which is the right product at the right price in the right place M
PC4: Promote Cumbria as a great location for inward investment H	Id4: Develop the Innovative Cumbria programme H	Sk4: Develop our future leaders and managers M	BE4: Enhance and exploit supply chain opportunities H	Inf4: Support development of new sites and premises in areas of demand L	PI4: Encourage and support bespoke local area economic diversification strategies H
	Id5: Identify opportunities for innovation in "clean growth" H	Sk5: Address worklessness and youth unemployment H	BE5: Increase trade and new investment H	Inf5: Ensure the key infrastructure to support the development of a resilient and green economy H	PI5: Work with public sector partners to deliver high quality public services L
H High importance M Medium importance L Low importance					

The Rethink phase is also important to achieving the vision as it focuses on the opportunities that will provide a significant boost to economic recovery.

- **Clean Energy Production** – a world-recognised heritage and expertise which provides the platform for significant future investment in energy generation
- **Diversify to Thrive** – building on the pivoting that has taken place and moving it to the next level in terms of localisation of supply chains and movement into new markets
- **The New Visitor Experience** – capturing the changes in visitor behaviour by offering a world class experience to a wide range of markets

- **The Future of Food** – enhancing Cumbria's crop based food production to sit alongside its existing meat and dairy excellence
- **Cumbria - The UK's Natural Capital** – promoting and exploiting the benefits created by having the most protected landscape in England
- **The Way We Live, The Way We Work Now** – benefitting from the rethink that people are making about their lives and the way that they will live and work in the future.

The path may be different but the destination remains the same.

CORONAVIRUS RESPONSE

CLEP has been supporting the county's multi-agency response to COVID-19 from the outset through its membership of, and input to, Cumbria's Local Resilience Forum (LRF) structure.

The LRF consists of all organisations and agencies involved with emergency response in our communities. It was formed in 2005 following the Civil Contingencies Act 2004, which required organisations across specific areas to work together to prepare, respond and recover from different emergencies.

Its aim is to make sure that the duties stated in the Civil Contingencies Act 2004 (CCA) are achieved within a multi-agency environment. These are to:

- co-operate with other local responders
- share information with other local responders
- assess the risk of emergencies in the area
- put in place business continuity management arrangements
- put in place arrangements to warn, inform and advise the public in the event of an emergency
- provide advice and assistance to businesses and voluntary organisations about business continuity

CLEP Chief Executive Jo Lappin was a member of the LRF's Strategic Co-ordination Group through the response phase of the pandemic and has sat on its Strategic Response Co-ordination Group following transition to the recovery phase. She also chaired one of the key LRF sub-groups, the Business and Economic Response and Recovery Group (BERRG), responsible for developing

Cumbria's economic response to and recovery from the pandemic.

BERRG played a leading role in co-ordinating appeals to the Cumbrian business community for donations of equipment such as Personal Protective Equipment (PPE) – for onward distribution to front line health care staff – and modifications to production processes allowing firms to manufacture items ranging from medical ventilators to hand sanitiser.

CLEP personnel provided support in managing the logistics of the programmes, including direct appeals to businesses and co-ordination on collection and distribution to the relevant authorities.

The direct communications support function to BERRG was provided by CLEP and its communications team was also part of the LRF's Strategic Media Advisory Cell (SMAC). The role of SMAC, comprised of representatives from Cumbria's major public sector and health authorities, was to provide a forum through which public communications relating to COVID-19 could be co-ordinated and aligned, where necessary.

CLEP officers also joined other standing LRF sub-groups to help mitigate the effects of the outbreak through effective multi-agency co-ordination. These included the Tactical Co-ordinating Group, PPE Sub-group, Logistics Cell and Health Protection Board.

Much of this work is ongoing and will continue until the impact of the pandemic is greatly reduced.

Online resource hub

At the outset of the pandemic, an online resource hub of Guidance for Employees, Employers and Businesses was established on CLEP's website.

CLEP collated government, national and local resources and guidance to help Cumbria's businesses feel supported to mitigate the impacts of the outbreak.

After speaking to businesses, it became apparent that different sectors were being affected in different ways and tailored support was needed for each. CLEP therefore collated sector-specific information on a separate webpage.

A third page – a Business Advice Clinics event page – was subsequently added. These webpages are frequently updated in line with the latest information, which is also circulated through social media and emailed to CLEP's distribution list.

Over the last 7 months, these three webpages have had 3,686 Unique Pageviews (Google Analytics).

Guidance provided ranged from local projects – such as Cumbria Jobs Fuse (a new service helping those made jobless as a result of Coronavirus in Cumbria find employment) – through to national initiatives provided by Government and others.

These included, for example, a mental health and wellbeing resources pack, advice on loans, tax relief and grants (some administered by Cumbria's local authorities), guidance on working safely through the pandemic, advice for retail businesses, safe transport guidance for operators and links through to other schemes announced by Government to support businesses through the crisis, such as the Job Retention Scheme, the Coronavirus Business Interruption Loan Scheme (CBILS) and Coronavirus Large Business Interruption Loan Scheme (CLBILS).

Media (traditional and social) Campaigns

CLEP officers provided the direct communications support function to the LRF's Business and Economic Response and Recovery Group (BERRG). Items discussed at BERRG that were felt to be of public interest or significance were widely broadcast via CLEP channels to internal and external stakeholders and the national and local media.

The CLEP communications team was also part of the LRF's Strategic Media Advisory Cell, which provided a forum through which public communications relating to COVID-19 could be co-ordinated and aligned, where necessary.

This proved beneficial in sharing and amplifying information produced by individual partners or the Government, such as the Stay At Home, Protect the NHS, Save Lives and Treat our communities with respect campaigns, alongside promotion of an emergency helpline for county residents and communications to combat domestic abuse.

Where appropriate, wider media coverage was secured (print, broadcast and web-based) through news releases and direct approaches. Social media channels (Twitter, Facebook, LinkedIn and Instagram) were heavily utilised, with Twitter being the primary channel used to direct people to the latest information.

There are 375 businesses and organisations on the main CLEP e-mail circulation list, which are contacted every Monday, Wednesday and Friday with the latest updates during the pandemic, helping to further extend the reach of relevant communications.

A communications strategy was adopted in early June to coincide with the easing of lockdown restrictions. Objectives of the strategy included demonstrating that Cumbria was opening for business across a wide range of sectors and in doing so was serious about the safety of employees, customers, residents and visitors.

A number of campaigns have been developed and implemented as the economy has re-opened including 'Think local, Buy local' to promote supporting our local shops, restaurants, museums and visitor attractions in order to protect businesses and jobs; and 'Protect your Business by Protecting your Customers and Employees' encouraging hospitality venues to comply with all guidance in relation to test and trace. These campaigns have been run via newspaper coverage, broadcast media interviews and social media activity.

Work is also underway to refresh and update the material designed for the Your Future campaign, which was postponed due to COVID-19. This is focused on promoting Cumbria as the place to live, work and invest.



James Walker, Cockermouth – just one of Cumbria's businesses that responded to the challenge of producing much needed equipment to fight the pandemic



PPE Appeals

In March, we launched a media appeal, on behalf of BERRG, asking businesses to donate any unused Personal Protective Equipment (PPE), which could be distributed to Cumbria's health and social care workers.

This resulted in the donation of many thousands of units of PPE, which were diverted to front line workers in Cumbria to help address gaps in provision and keep people safe.

Many businesses responded with offers of Personal Protective Equipment but, as donated supplies were handed out to front line services, there was a constant need to replenish the supply line.

This was particularly applicable in the case of IIR fluid repellent face masks, surgical face masks, gloves, aprons and goggles.

It was important to ensure that donated equipment was of European approved clinical standard, meeting the required specifications for use in key services such as the NHS.

CLEP, working with other organisations on BERRG and the wider LRF structure, pointed potential providers to appropriate Government guidance to ensure compliance and helped co-ordinate collection and distribution to front line staff.

Cumbria manufacturing challenge

CLEP's appeal to Cumbrian businesses to support the county's front line health and care workers was further developed in mid-April with a media initiative launching the Cumbria Manufacturing PPE Challenge.

This initiative built upon earlier appeals in which businesses were asked to donate any spare Personal Protective Equipment of the requisite standard so that items could be re-distributed to care workers who were experiencing shortages.

It focused on encouraging businesses with the necessary capacity and capability to produce medical standard PPE. Those able to do so were encouraged to re-purpose their production lines to produce equipment in line with the latest Government specifications for PPE.

Priority items once again included IIR fluid repellent face masks, surgical gowns, FFP face masks and visors/goggles.

Economic Impact Assessment

The impact of COVID-19 will be dependent on the intersection of its economic and business base; the effect of government restrictions; the direct effect of loss of workers in businesses due to health reasons or because of self-isolation; the indirect effects on businesses as their customers and suppliers are affected; and the ability to access the government support schemes in place. These interactions are complex and vary from business to business depending on their underlying financial health and cash flow.

Therefore the approach adopted by BERRG was to:

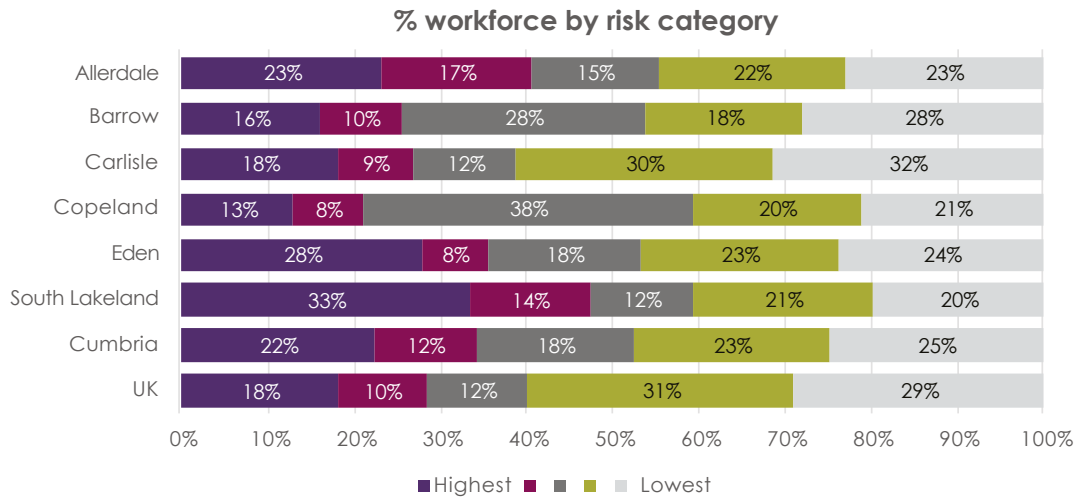
- Understand the potential vulnerability of our business base and economy

- Assess what might happen under different modelling scenarios
- Real Time Tracking of the impact on key metrics

Vulnerability Assessment

It was recognised that not all parts of the economy, business base and society would be affected in the same way by COVID-19 and the impact of the restrictions. In order to understand these relative vulnerabilities an assessment exercise was completed considering the degree of vulnerability by sector and type of business for both the business base and those working in Cumbria. This meant that UK level assessments of economic impact could be applied to Cumbria's economy.

The analysis was completed based on the 40 key sub-sectors, which make up Cumbria's economy, with a vulnerability score attached to each of these. This confirmed that Cumbria had a higher percentage of businesses and employees in the sectors that were most vulnerable to the adverse impact as outlined below.



Modelling Scenarios

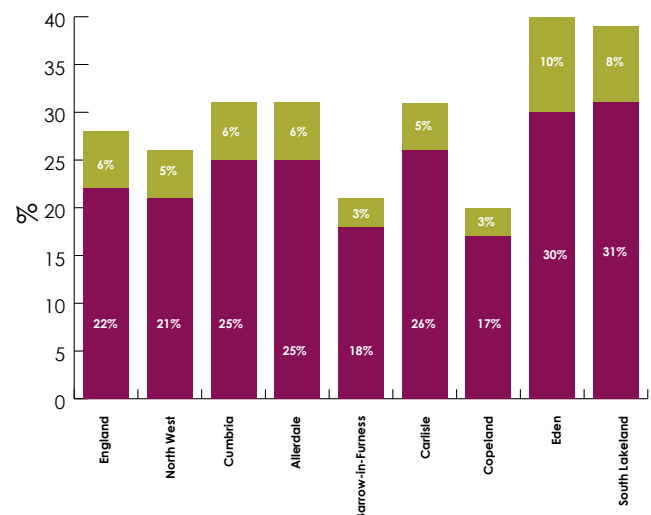
BERRG has also been reviewing emerging economic data to assess the impact on Cumbria's economy.

It was clear that there had been a significant adverse impact on Cumbria's economy with local projections estimating a 20.7% contraction in economic output between March and May 2020 compared to December 2019 and February 2020. This was slightly higher than the national position of 19.1%.

Cumbrian businesses had also benefitted from both the Job Retention Scheme and the Self Employment Income Support Scheme at a level higher than the national average.

At the point of publication the full economic impact of COVID-19 was still to become clear. Therefore, CLEP will continue to assess the impacts of COVID-19 as more data emerges and complete modelling work based on these.

Numbers claiming CJRS and SEISS by area as % of population aged 16 to 64



Real Time Tracking

An Economic Impact Survey was launched in April 2020 on behalf of BERRG to assess the effects that COVID-19 was having on Cumbria's businesses.

The first phase gathered 896 responses, with around half of those agreeing to be monitored on a regular basis, going forward.

The purpose was to better understand the impact of COVID-19 on Cumbria's individual businesses and overall economy. Private sector businesses provided 82% of replies with the other 18% coming from charitable, voluntary, community, and social enterprises, as well as the public sector.

Responses came from businesses across the county, with the highest levels coming from South Lakeland at 35% and just under a third from Eden at 29%. It was clear that those responding to the survey had experienced significant impact on their businesses with the visitor economy most seriously affected, given the COVID-19 restrictions placed on the Sector.

The impact on the workforce had also been high, with half of the businesses responding by using the Job Retention Scheme to furlough some of their staff.

On the positive side, most of the businesses were well-informed about the support available to help them during

the pandemic and there were excellent examples of businesses adapting quickly to the situation to continue trading. These changes included introducing home working, greater use of technology, introducing new products or services and selling direct to customers rather than through retailers.

Businesses which responded to the initial survey were asked if they would like to volunteer to join a tracker panel to assess the ongoing impact. The first tracker survey was completed with 223 businesses responding, with subsequent trackers completed initially fortnightly and subsequently monthly to assess impact in real time and to shape response and recovery activity.

The results from the tracker surveys have demonstrated that over time businesses have become slightly more optimistic about the future, triggered by a range of factors. For example, it was clear that Government's announcement on the re-opening of the retail, leisure and hospitality sectors on 4 July 2020 had a positive effect on improved business confidence, with a significant improvement in confidence levels on surviving the next six months and six to twelve months. However, there was limited improvement in longer-term business confidence.

This survey will continue whilst there is business commitment to its completion.

Weekly BEIS report

CLEP responded to requests for weekly reporting on the business environment to the Department of Business, Environment and Industrial Strategy.

In late 2019 and early 2020, the focus of these was on EU Exit and ensuring Government had sound intelligence on business needs to mitigate potential economic impact.

CLEP held weekly roundtable calls with businesses and business representative organisations to track sentiment

and reactions to the various steps in the journey towards EU exit.

This action then moved to weekly tracking of the impact of COVID-19 on Cumbrian businesses, as well as delivering messages to Government of the needs of the business community and the impact on specific sectors, particularly those that were most adversely affected.

This work is ongoing and involves collating data from Growth Catalyst, economics surveys, Labour Market Briefings, other organisations (e.g. Cumbria Tourism, Experian, etc.) and the media, amongst others.



Information was gathered from multiple sources on a regular basis to test the condition of the Cumbrian economy as it responded to the pandemic

Business Advice Clinics

CLEP offered Cumbrian businesses the opportunity to take part in free weekly advice clinics with specialist advisers and businesses to help guide them through the impact of the COVID-19 pandemic.

A number of firms from the professional services sector, with expertise in fields such as HR, law, finance and accounting, offered their services free of charge for one hour video conferencing sessions, which started in early May.

The sessions have been delivered as Zoom webinars, with professionals presenting on a topical issue, responding to questions from businesses. These were either provided in advance, or posted during the webinar on the sidebar.

The sessions also showcased 'real examples' of businesses that had experienced the particular topics being presented, such as accessing business loans, delivering safe working practices and engaging customers in different ways.

The clinics are designed to provide clear understanding and practical insight into key issues to meet the demand of Cumbrian businesses, which require advice and support.

A special advice clinic was arranged for Voluntary, Community and Social Enterprise (VCSE) organisations to address the specific issues facing those operating in the sector. This was focused on the challenges presented by COVID-19 with special consideration of HR and finance issues.

High on the priority list were topics such as the Job Retention Scheme, Support for the Self-Employed and the Coronavirus Business Interruption Loan Scheme (CBILS).

CLEP organised the sessions after consulting with BERRG and identifying that an increasing number of businesses in Cumbria were seeking guidance and needing specific advice from an HR, finance and accounting and legal perspective.

The Clinics took the form of entirely interactive Q&A sessions, facilitated by the Chair of CLEP's Business Strategy Group, Carolyn Dodwell, or the Chair of the Professional Services Sector Panel, Joanne Holborn.

Safer Working Campaign

One of the first initiatives launched by CLEP, on behalf of the Business and Economic Response and Recovery Group (BERRG), was promoting the benefits of safe working and creating a COVID-19 secure working environment.

It was initiated soon after lockdown restrictions were introduced and stressed the importance of creating a safe working environment for those businesses that could legitimately continue to operate and could not offer home working arrangements for staff. Ensuring that those businesses encouraged to continue operating safely were able to do so, was essential to keep the economy moving and protect businesses and jobs.



Oxley Group, Ulverston – an exemplar of safe working practices

Businesses were urged to consider whether or not they could restart or scale-up their operations in line with the then newly-published guidance, which was designed to protect employees and encourage economic activity at the same time.

Other types of business – in the retail, leisure and hospitality sectors, for example – had been told to close at that point.

Initial Government guidance was produced in consultation with industry and covered workplace settings that were allowed to be open, from outdoor environments and construction sites to factories and takeaways.

It set out practical steps for businesses focused on five key points, which Government said should be implemented as soon as was practical:

- Work from home, if you can;
- Carry out a COVID-19 risk assessment, in consultation with workers or trade unions;
- Maintain two metres social distancing, wherever possible;
- Where people cannot be two metres apart, manage transmission risk;
- Reinforcing cleaning processes.

A number of press releases and blog articles reflecting this theme were picked up by the local media. Case studies highlighting specific businesses that had successfully applied the guidelines in order to continue working were published.

All webpages featuring 'safe working' coverage were shared on CLEP's social media channels and the email distribution list and there was excellent support from partners in sharing these messages.

Subsequent communications stressed the need for businesses that had been asked to close to maintain basic maintenance checks throughout lockdown to combat, for example, the risk of Legionella infection of water supplies.

Property owners were also encouraged to ensure that correct service intervals were maintained for systems including fire alarms and fire safety, emergency lighting, lifting equipment, gas servicing and security/intruder alarms.

Welcome Back - Think Local Buy Local Campaign

Once the easing of lockdown restrictions began, CLEP launched another campaign, on behalf of BERRG, in June 2020. This time encouraging people to 'think local buy local' to support local businesses as economic activity started to recover.

This campaign was the product of close partnership working with other agencies, particularly Cumbria Tourism, which was promoting a Residents' Reassurance Plan to allay concerns around the influx of visitors' post-lockdown.

The retail sector was given the go-ahead to resume in mid-June with businesses in the visitor economy, hospitality, leisure, arts and culture sectors following shortly afterwards.

As a result of COVID-19 restrictions, many residents had rediscovered their local suppliers, many of which played a vital role in making sure that food and goods were available throughout lockdown.

When restrictions were eased, residents were encouraged to continue to 'think local buy local' by rediscovering what was on their doorstep, trying new experiences, exploring and 'staycationing' in Cumbria, as well as celebrating local produce by continuing to buy from local producers and suppliers.

News releases were issued, accompanied once again by extensive social media activity. Case studies highlighting specific businesses that had re-opened, or were about to do so, were published.

This gave those businesses the opportunity to demonstrate how they had applied COVID-19 Secure measures to protect staff and customers to ensure a safe experience for all concerned.

Government initiatives, such as the 'Eat Out to Help Out' scheme that operated during August, were publicised with residents encouraged to participate in order to protect businesses and jobs.

Close co-operation was established with other key partners to ensure that key messages were aligned and shared where appropriate. This campaign will be continued during the recovery period.



Skills

The skills system across Cumbria faced unprecedented challenges in supporting learners, employers and communities following the Covid-19 lockdown.

CLEP's People, Employment and Skills Strategy Group (PESSG) has worked in partnership with schools, colleges, universities, training providers, employers, Government departments and other key agencies across the skills system to support the continued delivery of learning.

Cumbria's high quality, responsive skills system has:

- **Supported young people to progress to the next stage in their learning journey** – working with Cumbria Association of Secondary Heads, FE Principals, Cumbria Careers Hub and Hello Future to develop Cumbria Activate Your Future. This on-line resource brings together a range of activities, advice and guidance for young people making choices about their next steps and enabled young people to engage with colleges, apprenticeships and universities at a time when access to support needed to be redefined. In addition, Cumbria Careers Hub worked with a number of employers to deliver an on-line careers event that brought young people together with employers to receive advice and support on employment and skills. The videos developed for this event have been viewed over 7000 times

- **Supported individuals seeking employment** – the PESSG launched the Jobs Fuse project with National Careers Service. The Jobs Fuse programme links individuals seeking employment with vacancies and links closely with the Cumbria Skills Support for Unemployed programmes. The Jobs Fuse project has also helped a number of employers with support in workforce development.
- **Re-focused skills support programmes** – the PESSG worked with partners to support skills support programmes focused on emerging priorities. The skills system across Cumbria adapted to difficult circumstances and responded to ensure learning continued through on-line methods. The innovation shown across the sector has enabled students in schools, colleges and universities and apprentices with employers to continue with their programme of learning wherever possible

As we move forward, the PESSG is working with partners to respond to the Plan for Jobs produced by the Government, which will see the introduction of a range of skills support initiatives that will support employers, young people and the unemployed. It will be essential that these programmes are effectively targeted at local needs and co-ordinated to ensure maximum impact.

This will be done through the development of the Local Skills Responsiveness Programme. The collaboration delivered by PESSG members during this challenging time shows that the Cumbria skills system is prepared to meet this challenge.



PEOPLE AND SKILLS

CLEP and its partners established a series of skills priorities within the Local Industrial Strategy.

These priorities, based upon a robust evidence base compiled by CLEP's People, Employment and Skills Strategy Group (PESSG), reflect the skills needs of our employers, young people and communities. In delivering these priorities, Cumbria's high quality, responsive skills system will support employers to develop the workforce of the future, enable young people to access career opportunities across Cumbria's unique economy and address pockets of inter-generational worklessness.

These priorities are to:



PESSG brings together schools, colleges, universities, training providers, voluntary and community sector organisations and employers to develop proposals to address these priorities. There are many examples across Cumbria of innovative solutions to support young people and adults to develop their careers and employers to develop their workforce.

The Cumbria Careers Hub provides young people across Cumbria with access to a wide range of support to help them develop exciting careers with leading employers. It has worked with schools and colleges to deliver high quality careers education, develop careers leaders and strengthen the links between the world of education and the world of work. The Careers Hub continues to drive the ambition for world class careers education in Cumbria, supported by a wide range of employers as Enterprise Advisers, with a group of Cornerstone Employers now in place.

These employer partnerships have actively participated in events such as UlverSTEM, which brought together employers, young people, parents and carers to Ulverston to showcase the range of Science, Technology, Engineering and Maths (STEM) related careers in the area; and the First Lego League, which saw 75 teams from schools across Cumbria taking part in an international competition supported by business mentors to develop technology and employability skills.

CASE STUDIES

1. UNIVERSITY OF CUMBRIA – INSTITUTE OF HEALTH

The University of Cumbria has a long standing history of providing a range of education to support both new recruits into a variety of health and social care professions, as well as upskilling and continuing education to support professionals in the workplace.



However, in August 2019, the University made a significant step in increasing its much needed provision to the region. Under the leadership of Professor Brian Webster-Henderson, Deputy Vice Chancellor (Health, Environment & Innovation), the University created its Institute of Health, its Centre for Research in Health and Society and its Centre for Excellence in Paramedic Practice.

Together, they are now providing a range of degree programmes and upskilling of professionals to support the practice of health care and its research across Cumbria. Only one year old, the University of Cumbria is able to identify significant success;

- An increase in recruitment of student nurses, physiotherapists, radiographers, occupational therapists and social workers – all of which are needed in the region;
- Partnering in a multi-million pound research collaboration with the University of Newcastle in addressing health and social inequalities across the region;
- Launching a range of paramedic degree partnerships for the North West and across wider parts of England for the next 5 years;
- Growing its midwifery programme by almost doubling the amount of midwives it now educates.

Professor Brian Webster said: "The University is a key player in providing much needed health and social work professionals across Cumbria and is committed to supporting the growth and development of the workforce."

The partnership between schools, colleges and employers within the Careers Hub and wider partnership has enabled Cumbria to deliver substantial progress against the national benchmarks for careers education, with Cumbria being a strong performing area. Going forward, CLEP will continue to work with partners to deliver on the ambitions for careers education set out in the Careers Strategy for Cumbria.

One example of how the partnership works in practice is the Local Labour Market Aligned Curriculum at Beacon Hill School in Aspatria, where employers work with the school to develop and deliver industry based projects.

Supporting young people to transition from education into the world of work provides the platform for their future career in the wide range of opportunities available in Cumbria. The apprenticeship programme in Cumbria remains one of the best in the country, with three times more young people accessing apprenticeships than the national average and young people securing the highest success rates for apprenticeships in the country. Apprenticeships continue to evolve in order to meet the skills needs of employers and the career aspirations of both young people and adults.

The commitment of employers to developing the workforce of the future is also evident in the outcomes secured through the skills support for the workforce programme, The Edge. Led by Carlisle College, and bringing together a range of skills providers, this programme has now entered a new phase and continues to provide a flexible, high quality solution for employers to find the skills they need.

2. LOCAL LABOUR MARKET ALIGNED CURRICULUM PIECE

Students at Beacon Hill School, Aspatria, took part in a range of innovative Industry Projects delivered by a range of significant local employers. Students worked in teams over a period of six weeks to respond to real world problems and challenges set by employers.

All Industry Projects also included a site or work place visit. Projects included:

- Designing a white water storage facility with Iggesund Ltd. near Workington;
- Conducting a feasibility study for a new railway station with Story Contractors;
- Leading a building survey on site at Sellafield;
- Building and programming a robot with Forth Engineering, near Maryport;
- Recycling plastic waste with Innovia Ltd., Wigton;
- Developing contingency plans for post-Brexit medical supply chains with DBD.

Students are graded not with traditional exam levels, but via employer feedback against a set of employability skills developed in conjunction with a group of employers and CLEP. The school has seen significant benefits in terms of student engagement, confidence, attainment and importantly ambition and aspiration as a result of these projects.

The Industry Projects, as a part of the LLMAC (Local Labour Market Aligned Curriculum), require a significant amount of support and commitment from the businesses involved. That said, the response and support from industry so far has been extremely positive. Almost all employers have committed to returning and working with future groups of students, some offering multiple projects for different year groups.

A Year 10 Beacon Hill student, who was one of the first cohort to take part, said: "Previously I was unsure of what career I wanted to pursue, or even what college or sixth form I wanted to go to. I had thought about a job as a hairdresser or beautician but wasn't sure. I had no idea that there were so many opportunities available locally. I've really enjoyed all of the projects and think I've got a lot out of them."

3. CORNERSTONE EMPLOYERS

In January 2020, CLEP was delighted to announce the first two organisations - Lakeland Arts and Oxley Group - to become Cornerstone Employers, businesses that provide strategic support to clusters of secondary schools and colleges to enable careers provision in Cumbria. The businesses partnered with CLEP and The Careers & Enterprise Company to pledge to invest time and resources working to inspire young people across the county and ensure that they had access to meaningful engagements with employers. These organisations were joined in February by BAE Systems. Through the programme, the Cornerstone Employers will work with the Careers Hub Team to develop approaches that will support innovation and engagement between schools/colleges and employers in the world of careers education. This will help young people in Cumbria gain the vital work experience they need to help them make informed choices about their futures. The Cornerstone Employers act as 'champions' to encourage more businesses to get involved, as well as encouraging their own staff to become volunteer Enterprise Advisers and pass their business knowledge on to the next generation.

Darren Cavan, CEO at Oxley Group, said: "Oxley is delighted to partner with the LEP and the Careers Hub in becoming a Cornerstone Employer. We are totally committed to building employability skills for the future and helping to raise the aspirations of young people; supporting them in making informed decisions about their future and providing positive career role modelling."

Helen Tappenden, HR Manager at Lakeland Arts, said: "This fantastic initiative is a great way help prepare young people for the world of work. By working with local schools across Cumbria and partnering with other local employers we can develop skills across arts, heritage and many other sectors whilst also highlighting to our young people the breadth of employment that is available in Cumbria."

The focus of this phase of the Edge programme was on higher level skills. The programme has been designed to contribute towards increasing the pool of higher level skills in the county and focus on key sectors of the Cumbrian economy. This commitment to supporting the key sectors in developing the higher level skills they require is clear in the University of Cumbria's development of an Institute of Health.

Cumbria's higher level skills offer will continue to develop to meet employer needs with the introduction of the new T Level programme from the 2020/21 academic year. The programme will be available in digital, education and childcare, health and science, construction and engineering, and will offer a higher level skills programme with industry placements. In order to ensure that Cumbria continues to be at the forefront of technical education innovation, CLEP will be working with partners to develop a Technical Education Vision for Cumbria.

The on-going development of the skills offer to meet employer and individual needs is critical to addressing the challenges of worklessness and youth unemployment in the county. In this challenge, Cumbria has benefitted from effective, targeted skills support that has supported hundreds of residents into employment or developed skills to bring them closer to the labour market. The skills support for unemployed programmes, The Key, led by Inspira, and Journey to Work, led by G4S, offer a range of support to learners to secure employment. CLEP intends to build on this success by developing an escalator model of support for unemployed residents.

In working with partners across the skills system, CLEP has been able to develop and support skills solutions that meet the needs of our young people, adults and employers. These solutions support our ambitions for inclusive growth across the Cumbrian economy and support our young people find careers that match their aspirations. Our partnership was proud to sponsor the Golden Apple Awards in 2019, in partnership with University of Cumbria, which showcased partnerships between talent education professionals, learners and employers and how this leads to successful outcomes for those involved.

4. GEN II - BEN TICKLE

Ben Tickle started his Data Analyst level 4 apprenticeship with Gen2 in September 2019.

This is the first time this apprenticeship has been delivered in Cumbria. Its aim is to use data intelligence to drive business advantage. The training is delivered via a virtual classroom with weekly sessions incorporating both theoretical and practical project work. Subject areas include performing statistical analysis, using analytical software, forecasting and modelling techniques to predict trends and producing performance dashboards and reports.

Ben said: "I currently work as a commercial analyst with a well-known organisation in Cumbria who specialise in drainage products for commercial and domestic customers. The data analyst apprenticeship is giving me tools to enhance my job.

"I have learned two analytics programmes that help analyse large sets of data. I attend virtual taught sessions once a week and carry out practical and theoretical work. The skills I have learned during my apprenticeship will enable me to look at all aspects of the business including pricing, sales and logistics and will help support business decisions for the future."



5. THE EDGE

Penrith Building Society approached Cumbria Chamber of Commerce/ Cumbria Business Growth Hub looking for support with staff development. A referral was made to The Edge to support with Leadership and Management training and Carlisle College was then identified as the provider that would support them.

Penrith Building Society identified four members of staff to undertake ILM Leadership and Management qualification, all of whom had a number of years of experience within the company.

The Level 4 Leadership & Management qualification was delivered via Microsoft Teams allowing study to take place remotely. As a small company, it was not practical for 20 per cent of staff to be offsite to complete a training course and so the course being conducted remotely worked well. The training provided by Carlisle College and funded by the European Social Fund (ESF) via The Edge has ensured that the staff/learners now have the knowledge and support via the completed training and development to deliver their leadership and management roles well and to the best of their ability.

One of the learners has already expressed an interest in progressing onto a Level 5 Leadership and Management course, which she will be completing with Carlisle College. The company is keen to keep updated with further funded training and development opportunities - funding being the key to developing its workforce.

6. THE KEY – INSPIRA

The Key is the ESF funded, employer-led employability programme for unemployed Cumbrians, commissioned by CLEP and the ESFA, and delivered by Inspira.

In 2019-2020, 943 unemployed people accessed The Key pre-employment programme. Of these, 25% were aged 19-23, and 19% were aged 50 or above.

250 participants progressed into employment, traineeships, apprenticeships or further learning. Of the 221 progressions into employment, the top sectors were retail, hospitality, cleaning, construction, care, transport and logistics. 2,594 qualifications were completed in 54 different subjects, including construction, security, warehousing, care and customer service.

Employer Perspective

The Glenmore Trust is based in North Cumbria and is a 'not for profit' organisation providing support services for adults with disabilities. Christine Woodward of The Trust got in touch with Inspira after hearing Chief Executive Mark Bowman on BBC Radio Cumbria talking about the effects of the pandemic on the Cumbrian labour market. She had a number of vacancies caring for adults with disabilities to fill and contacted Inspira to find out if the Key could help with this. A sector-based work academy was arranged to prepare people for the application process and help them develop the skills required for a career in care. As the country was still in lockdown, this course was delivered digitally, with participants using Google Classroom and Meet to work with their adviser. The participants undertook an interview with the Glenmore Trust, with several moving into jobs, and all gaining valuable feedback.

Customer Perspective

David was long term unemployed without basic English and Maths skills and without any recent work experience. David was applying for work online but not receiving any responses. Inspira worked with David to identify different sectors that interested him and met his current skill-set. David improved his confidence with digital job search by practicing during job club sessions. As a result, David undertook a work experience placement with Impact Housing and gained paid role with Carlisle United as a steward.

7. GOLDEN APPLES

CLEP and Cumbria Careers Hub were delighted to support the 2019 Golden Apple Awards to help celebrate the inspirational people and organisations that make up Cumbria's education, skills and training sector.

The awards allowed us to show our support for the high quality, responsive skills system that helps change lives in Cumbria and open the door to the growing career and educational opportunities that now exist on our doorstep. It was a chance to celebrate the talent and dedication across the skills system -- within employers, educators and support staff -- and highlight the impact this has on:

- Young people reaching their potential;
- Enabling people to access high quality employment opportunities;
- Supporting those in the workforce to develop the skills they need for the future;
- Enabling employers to access the skilled workforce they need.

The Awards presentation evening took place at Energus, Workington, in October. CLEP was Associate Sponsor of the event, along with the University of Cumbria. CLEP also sponsored three of the categories featured -- Best Student, Best Industry Engagement and Best Community Initiative.

8. CUMBRIA CAREERS HUB

The Cumbria Careers Hub, is a joint project between CLEP and The Careers & Enterprise Company, which was launched in January 2019 and supports 40 secondary schools to deliver world-class careers education.

It offers a range of opportunities for local businesses and organisations to engage and benefit from partnership with local schools and colleges, such as:

- **The Enterprise Adviser Network** - where senior business volunteers are invited to give approximately eight hours a month to a specific school or college and work strategically to strengthen and support career programmes.
- **Cornerstone Employers** – encouraging businesses to take on the role of 'championing careers education.
- **Give an Hour** - in which individuals are asked to volunteer one hour to share their career story and inspire the next generation.

INNOVATION AND IDEAS

CLEP was successful in a bid to become part of the MIT REAP programme – a Massachusetts Institute of Technology ‘Regional Entrepreneur Acceleration Programme’ – focused on creating a framework for encouraging entrepreneurship across the North West (Powerhouse) region of Cumbria, Lancashire and Cheshire-Warrington.

The team, made up of LEPs, universities, innovators, investors and large corporations, developed a Clean Growth related project idea, which is being tested with regional innovative thinkers, prior to being floated more widely as a concept. If this concept stands up to scrutiny then it will be developed as a real tangible project.

CLEP has also undertaken a major Innovation Mapping exercise to clarify innovation capacity and capability in Cumbria, given that the usual metrics (patents etc.) tend to understate Cumbria’s position on this. CLEP is identifying all businesses that have innovated in Cumbria, by collating a database of participants in innovation related schemes such as Made Smarter and Cumbria Manufacturing Service, firms that have secured Innovate UK, Horizon 2020 and other grants and KTPs (Knowledge Transfer Partnerships), and many other programmes which exist to support innovation. This work will help to shape and inform the direction of the Ideas and Innovation Programme, going forward.

So far, 500 impressive Cumbrian businesses have been identified via the mapping process. The ultimate aim is to create an interactive map that can easily demonstrate the high level of innovation in various categories (e.g. product, process, marketing etc.) in order to build a network of Cumbrian innovators and help these businesses continue to grow. At the same time, these businesses will be profiled as exemplars and brought together with other businesses to encourage and inspire further innovation across the business community.

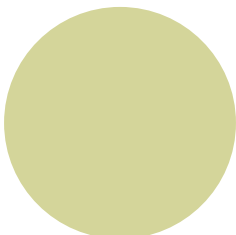
The CLEP team has been developing a Digital Strategy, drawing together the county-wide improvement plans and upgrades to deliver better digital infrastructure, enhanced business services, the creation of a world class digital skills offer, more efficient and inclusive public services and digital inclusion, so that nobody is left behind. The strategy looks to position Cumbria as the first Smart Rural County, making connectivity and improved digital capability available to all.

Prior to lockdown, CLEP’s Head of Business and Innovation Miranda Kirschel, made it a priority to visit businesses around the county, to better understand them and their needs and to signpost them to partners such as DIT, and programmes such as Made Smarter and Cumbria Growth Catalyst, to support their continued growth, where helpful.

Seeing the innovations and hearing the stories of transformation towards the growth of businesses like Hawkshead Relish, Marl, Forge Europa, Playdale, Cumbria Crystal - the business world cannot fail to be impressed. Once lockdown restrictions had lifted, the CLEP team continued to identify and track these businesses, through the Innovation Mapping and other activities and ensured that the exemplar businesses received recognition through CLEP PR as well as through platforms such as the Business Advice Clinics (BACs), where they could share learning with their peers.

A number of businesses took part in the Business Advice Clinics, organised in response to the Coronavirus outbreak. Companies who shared how they had rapidly innovated or pivoted to respond to COVID-19 included Booths Supermarkets, Oxley Group, Story Contracting, BAE Systems, WYG, Createc, Wax Lyrical, Shed 1 Distillery, Sellafield Ltd, Umbel Restaurant Group, and Responsive Group/CumbriaSME. CLEP will continue to seek platforms for these world class firms as part of the overall path to delivering recovery and growth through partnership. One key approach to harnessing this is through our Internationalisation Strategy (see page 26).

Businesses profiled through the BACs included **Booths Supermarkets, Oxley Group, Story Contracting, BAE Systems, WYG, Createc, Wax Lyrical, Shed 1 Distillery, Sellafield Ltd, Umbel Restaurant Group, and Responsive Group/CumbriaSME**





Innovation remains a priority for the Cumbrian economy – from sustainable energy to robotics, advanced manufacturing and nuclear decommissioning

BUSINESS ENVIRONMENT

The Business Environment has experienced an extremely volatile year, with the multiple challenges of COVID-19 and preparation for the end of the EU Exit transition year. CLEP has therefore worked hand in hand with the business community, to bolster its resilience.

CLEP responded to requests for weekly reporting on the business environment to the Department of Business, Environment and Industrial Strategy (BEIS). In late 2019 and early 2020, the focus of these was on EU Exit, ensuring Government had sound intelligence on business needs to mitigate potential economic impact.

CLEP held weekly roundtable calls with businesses and business representative organisations to track sentiment and reactions to the various steps in the journey towards EU exit. This action then moved to weekly tracking of the impact of COVID on our Cumbrian Businesses, as well as delivering the messages to Government of the needs of the business Community and Cumbria's very specifically impacted sectors.

We have continued to provide business support throughout the year, through management of the Cumbria Growth Catalyst contract, serviced by our delivery partner Cumbria Chamber of Commerce. We have seen some 200 Cumbrian businesses benefit from a wider variety of support such as digitalisation, business planning, financial and accounting and marketing support through this programme.

A number of additive programmes have been enabled by BEIS, including a Supplementary Funding programme, which aims to strengthen Growth Hubs and level up the UK's regions, and has provided businesses with critical professional services advisory support at a time when they have most needed it. As part of a BEIS-funded nationwide initiative, CLEP has also initiated a Peer to Peer Networking programme, which will support almost 100 businesses around the county.

Internationalisation Approach in the Business Environment

During the year, CLEP worked with Mickeldore Ltd and partners to develop an Internationalisation Strategy. This was focused on both developing Cumbria's export capability and positioning Cumbria as an excellent location for inward investment.

The Brexit situation meant that the strategy was refined and it was then impacted by COVID-19, which resulted in it being 'paused' to enable recovery scenarios to shape the strategy.

In addition, the Business Strategy Group has come together to identify a more ideal business support framework, with a focus on the Local Industrial Strategy priorities such as encouraging more start-ups and scale-ups and working with the Clean Energy Panel to bring together the Offshore Wind and other renewable sectors with the nuclear sector to identify and harness synergies.

In order to support this, the Offshore Energy Alliance, a cluster of the North West and North Wales developers, government representative bodies, ORE Catapult and others, was established to encourage the development of a stronger supply chain in the sector. CLEP has worked closely with Barrow site offshore wind owner, Orsted, to initiate and drive interest in Cumbria's active involvement in this sector.

CLEP is also bringing sectors together to develop concepts and plans around a potential circular economy of food and drink, agriculture, clean energy, and advance manufacturing, to connect and harness a stronger ecosystem that services the nation and the international market.

Along with a number of partners, including the District and County Councils and the Cumbria Chamber of Commerce, CLEP has helped reinstate the Cumbria Business Survey. This will be conducted largely by telephone to gather stakeholders' insights into the practices, priorities, needs and approaches to growth by 2,000 businesses across Cumbria. The survey, which was formerly biennial, will provide a very helpful profile of the range of businesses in our county and how we can better support them going forward.

The overarching aim remains to sell Cumbria in a more consistent way with a clear and targeted message.

Cumbria has a significant part of its manufacturing base owned by global businesses and CLEP will continue to work with these businesses to ensure that they are retained and investment takes place.

Alongside this, CLEP will look to attract new business opportunities linked to new and emerging technologies and strengths such as clean energy, for example offshore wind and new nuclear, including Small and Advanced Modular Reactors.

INFRASTRUCTURE

Energy Coast Rail Upgrade (Cumbrian Coastal Line)

The Cumbria Coastal Line is critical to major businesses in West Cumbria, including the servicing of national nuclear assets at Sellafield and the Low Level Waste Repository, near Drigg.

The line has suffered from under-investment and requires upgrading to improve capacity and resilience. Since the Strategic Outline Business Case was approved by Department for Transport, CLEP has been working closely with Network Rail and other partners to develop an Outline Business Case, outlining the improvements.

After successfully securing £7.5m of DfT funding, CLEP invested £835,000 of its Growth Deal funding to progress this important scheme to the next phase.

The scheme aims to identify rail infrastructure requirements, which will modernise the line, making it fit for future rail freight and passenger services. Scheme development and design work is progressing well and is on target to deliver an Outline Business Case to DfT in June 2021.



After successfully securing £7.5m of DfT funding, **CLEP invested £835,000 of its Growth Deal funding** to progress this important scheme to the next phase.

Lakes Line

The Lakes Line connects the West Coast Mainline at Oxenholme, near Kendal, to Windermere in the heart of the Lake District World Heritage Site. The line is critical to supporting the visitor economy and the clean growth agenda by enabling visitors to travel in a more sustainable way. Capacity improvements are required to support increased services between Oxenholme and Windermere. Cumbria County Council (CCC) is working with Network Rail (NR) to secure a funding package to develop a Strategic Outline Business Case (SOBC) for the Lakes Line.

Port of Workington (Siddick Bridge)

This project will deliver a replacement road-over-rail bridge serving the Port of Workington. It will demolish the existing deteriorating masonry arch bridge and replace it with a new structure designed to serve the Port and adjacent land for a significant period, into the future. Project completion is targeted for May 2021 with bridge installation expected during Easter 2021.

ROADS

Carlisle Southern Link Road (CSLR)

St Cuthbert's Garden Village is part of the Government's Garden Town programme, in recognition of the significant potential for housing led growth in Carlisle. The Carlisle Southern Link Road is a new 8km road connecting Junction 42 of M6 to A595. This will unlock delivery of the 10,000 homes in St Cuthbert's Garden Village while also enhancing cross city movement and M6 connectivity.

The funding for this was announced on 14 February 2019. Further funding of £32 million has been agreed to enable the scheme to be fast-tracked.

Other significant road projects that CLEP is providing support to include:

- A689 trunking/ Warwick Bridge de-trunking;
- A590 Cross-a-Moor Roundabout;
- A66 Brigham/Broughton Roundabout;
- A595 Grizebeck improvements;
- A595 Bothel improvements;
- A590 improvements including Ulverston Bypass;
- A66 Dualling Eastwards Penrith.

DIGITAL CONNECTIVITY

There has been much improvement in digital infrastructure across Cumbria, with 94.4% of properties now able to access superfast broadband and 3.2% able to access gigabit capable services. However, there is still a lot of work to improve digital connectivity and a need for further investment to expand access to gigabit connectivity, recognising the increased importance of digital infrastructure as a result of COVID-19. The focus going forward is therefore to secure:

F20 UK Gigabit Investment - is critically important in ensuring that Cumbria has world class future connectivity. The case will be made for Cumbria to be a priority for the F20 UK Gigabit Programme to support COVID-19 recovery plans. Full fibre connectivity is essential for the tourist economy in order to attract visitors and to ensure the county is not left behind.

Shared Rural Network (SRN) investment - Mobile connectivity is also critically important and the SRN must deliver improvements in Cumbria, supplemented by a properly funded 4G infill programme. 4G will form the backbone of 5G as it develops and we want to ensure that Cumbria can benefit from this new technology, not just through faster connectivity, but through new applications such as remote monitoring and control.

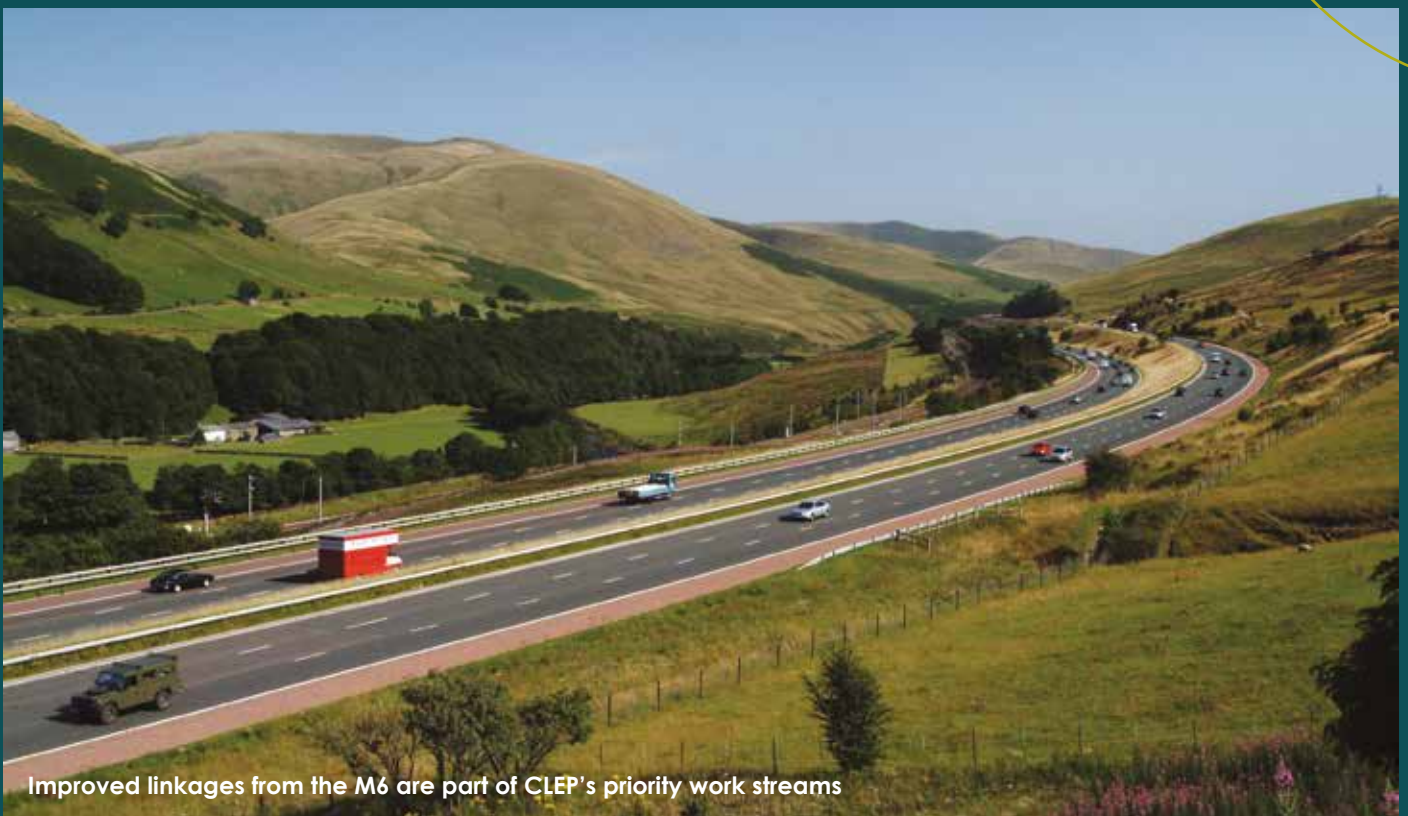
DECARBONISING TRANSPORT

Over the past twelve months, work on decarbonising the transport agenda has progressed through initiatives including:

- Rural Mobility (piloting on-demand rural bus services);
- Barrow Electric Bus Town (developing an all-electric bus fleet);
- Local Walking and Cycling plans (focused on the county's six main towns);
- Strategic cycling corridors - along A590, A66, A591 and Hadrian's Wall (developing continuous off-road multiuser cycle trails).

The Cumbria Transport and Infrastructure Plan (CTIP) will set out the infrastructure priorities for Cumbria over the next 25 years. The development and progression of the CTIP reflects the Government's desire for greater integration between transport, decarbonisation and economic growth.

The CTIP will position Cumbria to be able to make the strategic case to secure investment in our infrastructure.



Improved linkages from the M6 are part of CLEP's priority work streams

PLACES

The work of the Places Strategy Group continues to focus on the place making, place shaping and inclusive growth agenda and the Places theme priorities identified in the Local Industrial Strategy for delivering these, namely to:

- ✓ **Address cold spots of worklessness and social deprivation in Cumbria**
- ✓ **Support local place shaping programmes**
- ✓ **Encourage housing which is the right product at the right price in the right place**
- ✓ **Encourage and support bespoke local area economic diversification strategies**
- ✓ **Work with public sector partners to deliver high quality public services**

Towns Funds

The announcement of Cumbria's significant success under the Town's Funds programme, with Cumbria securing 4 Future High Street areas (Barrow, Carlisle, Maryport and Whitehaven) and five Towns Deals (Barrow, Carlisle, Cleator Moor, Millom and Workington) has inevitably meant that the Strategy Group has been used as a forum to share experiences, review progress and provide support. This recognised that the towns fund programme could directly support four of the five strategic priorities and indirectly support one of these.

CLEP brought together a 'Star Chamber' consisting of highly experienced specialists with regeneration, economic and property expertise to provide a 'Chatham House' review of individual Investment Plans as these were moving towards completion. This informal process helped development teams to anticipate and build in the questions that were likely to be raised by government during the assessment process.



Right Product, Right Price, Right Place

The responsibility for housing delivery clearly rests with individual District Councils. However, the Group recognised the opportunity to add value on working collectively to support all areas to accelerate the delivery of their local housing strategies. CLEP therefore appointed Lichfields to work collaboratively with local authorities, developers, registered priorities and others to identify the barriers to delivery and the opportunities to address these. This has resulted in an action plan which CLEP and all partners will be working to implement, going forward.



CLEP
CUMBRIA
LOCAL
ENTERPRISE
PARTNERSHIP

CALMING CUMBRIA

Buttermere, The Lake District National Park

Build Your Future in Cumbria
Where there's time to reflect on a majestic landscape

#cometocumbria
The heart of the UK

CLEP
CUMBRIA
LOCAL
ENTERPRISE
PARTNERSHIP

CLEVER CUMBRIA

University of Cumbria

Build Your Future in Cumbria
Where the future is being designed and developed today

#cometocumbria
The heart of the UK

CLEP
CUMBRIA
LOCAL
ENTERPRISE
PARTNERSHIP

CAPTIVATING CUMBRIA

Carlisle Cathedral

Build Your Future in Cumbria
Where the spirit of an ancient kingdom inspires a unique culture

#cometocumbria
The heart of the UK

CLEP
CUMBRIA
LOCAL
ENTERPRISE
PARTNERSHIP

CREATIVE CUMBRIA

Tullie House Museum & Art Gallery

Build Your Future in Cumbria
Where creativity is celebrated

#cometocumbria
The heart of the UK

Your Future

In addition to the priorities identified for the Places theme the group has also focused on the overarching priority to Promote Cumbria, in particular to 'Develop Brand Cumbria to effectively market Cumbria's enviable offer'. At the outset of the year CLEP launched the Your Future campaign, which was focused on selling Cumbria as the place to live, work and invest, in line with the vision outlined within the LIS. The campaign was soft launched in March based on selling Cumbria based on everything that it had to offer to those looking for a change of location or an ideal location to invest.

Lockdown restrictions meant that the campaign was paused until the housing market re-opened and people could legitimately explore new locations to live, work and invest. There has now been a 'reboot' of the campaign, which has gained fresh impetus as people think about 'The Way We Live and the Way We Work Now,' and increasingly look to relocate to smaller towns and rural locations as more flexible working patterns are adopted.

SECTOR PANELS

SECTORS

Cumbria is home to a diverse range of economic sectors, distributed across the county in a range of sectoral hubs – a genuinely polycentric economy. Some sectors, such as creative and cultural, are dispersed, with a plethora of activity taking place across the county, with others such as clean energy, focused in key locations. CLEP works with eight key sectors, accounting for over two thirds of Cumbria's economy in both economic value and jobs terms.

Since the start of the COVID-19 pandemic, in line with the UK more generally, the economic downturn in Cumbria has been pronounced, with some specific sectors facing large and immediate challenges. Others face an uncertain future on a longer term basis, and CLEP continues to work with partners to support recovery. A number of trends have been identified which have already had an impact on sectoral recovery within Cumbria, and will continue to do so for some time.

CURRENT TRENDS IN RECOVERY

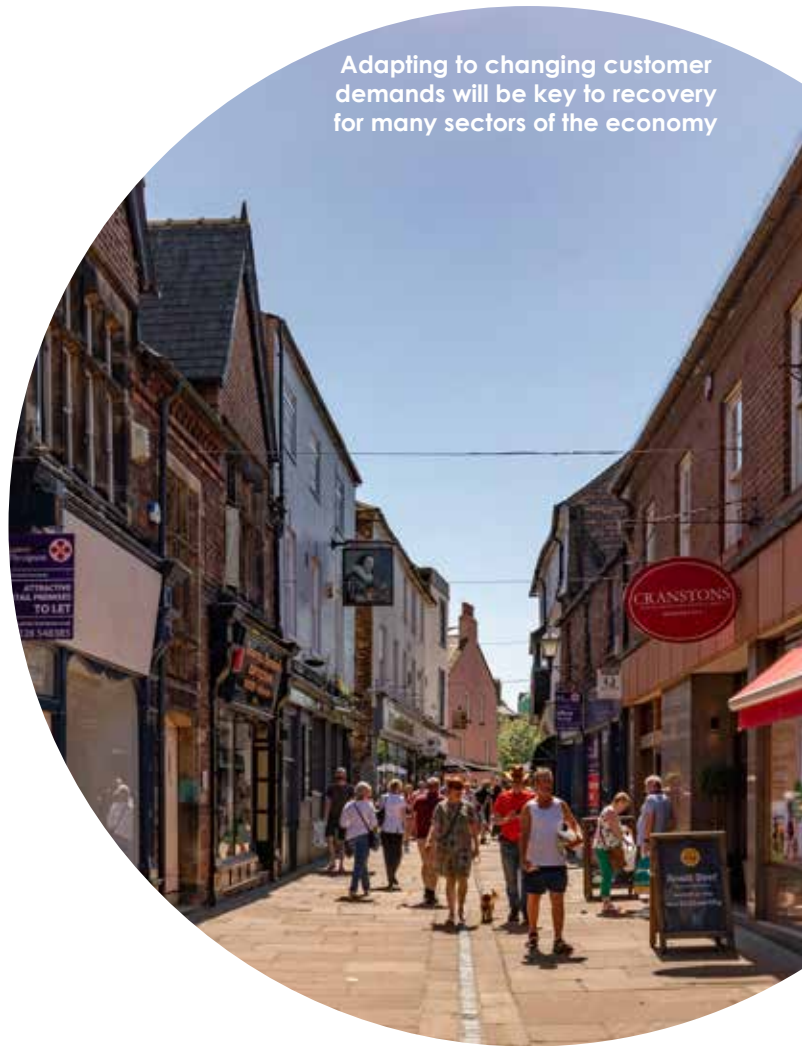
Most Affected Sectors

The visitor economy and creative and cultural sectors suffered from a complete cessation of trading for a protracted period from mid-March. Small Business and Retail, Leisure and Hospitality grants together with a package of Arts Council and Heritage Lottery funding provided much needed support to help preserve these sectors, alongside the furloughing of significant numbers of staff through the CJRS. However, these sectors are very much dependent on consumer confidence, and therefore vulnerable to further shocks, especially throughout the traditionally quieter trading months of the year, with lockdown eating into a significant part of the peak season. Future opportunities, for both sectors, lie in extending the season, diversifying and adapting to changing consumer demand, and effectively communicating new and existing offers to new and returning audiences and visitors.

The Way We Work Now

The rise of online and remote working has seen an increase in digital take-up and usage in Cumbria, with businesses using the internet to increase their customer base locally, nationally and in some cases, internationally. A range of digital skills programmes have been made available to businesses to enhance their online presence, which have been very welcomed, with strong take-up within the business community. It is expected that additional digital activity will sit alongside the more traditional ways of doing business, going forward.

Adapting to changing customer demands will be key to recovery for many sectors of the economy



Government's COVID-19 Support

The finance that government has made available to support businesses and employees through COVID-19 has made a significant difference to businesses in Cumbria. The Small Business and Retail, Leisure and Hospitality Grants have undoubtedly ensured the continuance of many businesses in Cumbria. The take-up of the funding of these grant schemes has been at a rate equivalent to the national average, with over £164m allocated by Local Authorities across Cumbria, as the schemes move to closure.

The take up of Bounce Back Loans has been widespread and welcomed in the business community. There has also been good take up of the Coronavirus Business Interruption Loan Scheme (CBILs), with a number of Cumbrian businesses accessing this.

The Coronavirus Job Retention Scheme (CJRS) and Self-Employment Income Support Scheme (SEISS) have also offered a lifeline to many businesses, with high take-up across Cumbria. The CJRS, in particular, has been extremely important to those sectors that were closed during lockdown with take up in South Lakeland and Eden amongst the highest in the country.

Business Supporting Communities

Since the outset of the COVID-19 pandemic, Cumbrian businesses have supported the communities, in which they operate. An early call out for spare PPE to support the NHS saw thousands of safety kits being delivered to where they were needed most. Activities included re-purposing 3D printers to provide visors; care packages being provided to those most vulnerable by hospitality and catering businesses; and furloughed staff volunteering to help out in a wide range of critical role, outside of their own organisations.

This business-backed community support is set to continue – helping to create resilient communities, increase community cohesion and support the place making and the place shaping agenda.

Constructive Collaboration

The pandemic has seen a multi-agency approach to addressing response and resilience within Cumbria and has demonstrated that working in collaboration is an effective way to amplify results – with the sum of the parts adding up to more than the parts themselves. This partnership approach will continue to be important going forward as recovery planning and implementation progresses.

SPOTLIGHT ON SECTORS

Advanced manufacturing



The advanced manufacturing sector in Cumbria is diverse and significant, representing over 23% of the county's GVA. There is a significant supply chain for BAE Systems Ltd and Sellafield Ltd, alongside excellence in paper goods production, food manufacturing and specialist product engineering and plastics. COVID-19 has seen differential impact on different sub-sectors, based on a range of interlinked factors such as supply chain availability, stockpiling and practical logistical considerations came into play. Wellbeing in the workforce has been a high priority for the sector, with serious effort being applied to creating COVID-Secure working environments and developing systems to support Test and Trace. The CJRS has been used to support the recovery process, with businesses in many parts of the sector now operating effectively. COVID-19 has highlighted the opportunity to develop a more localised and diversified supply chain within Cumbria, which is being taken forward as part of the restart phase of "Restart, Reboot, Rethink – A Plan for Cumbria's Economic Recovery."



Clean Energy



Cumbria is well placed to be an exemplar in clean energy generation, contributing to the national energy output and supporting the creation of innovative and sustainable economy.

The combined drivers of climate change, 'levelling up,' COVID-19 recovery, energy security and resilience all contribute to the need to generate new forms of low carbon energy. The decarbonisation agenda needs to be implemented in a way that delivers both supply chain and employment opportunities.

Clean Energy Generation is a key theme in CLEP's recovery planning. Cumbria is well positioned to play a role, nationally, given its existing capabilities and future opportunities, including:

- **Offshore wind** – growing our existing significant capability via Round 4 licensing opportunity
- **Nuclear** – new generation opportunities building on the offer within the Cumbria Nuclear Prospectus
- **Hydrogen and synthetic fuels** – creating a new pathway to carbon neutral fuels
- **Cluster development** – proactively supporting local businesses and supply chains to prepare to maximise the benefit from future clean energy development;
- **Research, development and innovation** – supporting both new energy and existing environmental remediation developments to drive new innovation opportunities
- **Integrating the 'whole energy system'** - to decarbonise heat, power and transport through offshore wind, nuclear and hydrogen
- **Local community energy development** – building on large generation opportunities to incentivise community energy to support farming, food, tourism business.



Construction



The Construction sector faced some early challenges during the pandemic due to an initial lack of clarity on the operation of construction sites. National figures confirm that the construction sector has significantly reduced its workforce due to COVID-19, either through temporary furloughing or redundancies. This raises some challenges around skills retention, which will be a key focus for the sector going forward as building contracts increase. Public procurement has ensured that the construction sector has been able to remain in operation and going forward will be key to supporting the sector's revival. Opportunities around supporting a green recovery and the priority to move to net zero carbon will help to drive innovation in the use of materials and the fabrication of buildings, whilst also presenting significant commercial opportunities for the sector.

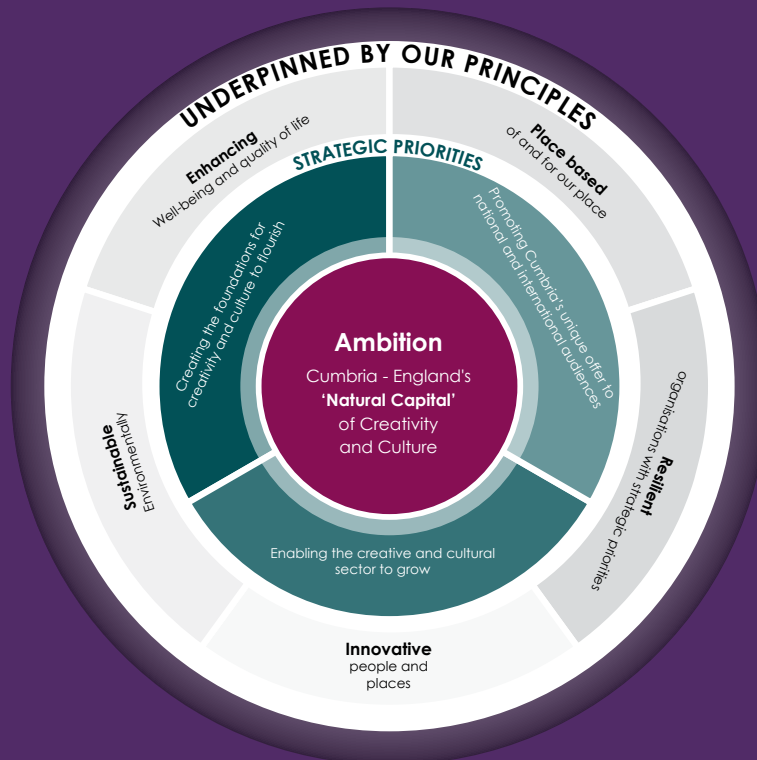
Creative and Cultural



The arts and cultural sector has been significantly affected by COVID-19, due to closure during lockdown and the subsequent loss in consumer confidence affecting people returning to attractions, once these re-opened. Emergency Arts funding has been welcomed, however with high numbers of SMEs and freelance practitioners in Cumbria, the sector still faces significant challenges to realise a full recovery. Despite this, this vibrant sector has been innovative and quick to respond to digital adoption and adaptation, providing arts activities both online and in creative socially distanced ways.

With the onset of COVID-19, it is apparent that the sector is, and will need to be, at the heart of recovery for our communities in Cumbria, with the arts, heritage and culture playing an important role in supporting resilience in mental health and wellbeing.

Cumbria's Creative and Cultural Strategy: The Natural Capital of Culture



This year saw the release of the new Creative and Cultural Strategy, co-produced by Cumbria County Council and CLEP. This identifies key strategic priorities for enabling the sector to grow:

1. Creating the foundations for creativity and culture to flourish;
2. Enabling the creative and cultural sector to grow;
3. Promoting Cumbria's unique offer to national and international audiences.

The strategy forms part of the medium to long term recovery goals for the sector, recognising that significant joint-working and support will be necessary to ensure that the sector is able to realise its full potential as the natural capital of culture locally, nationally and internationally.

Logistics



The logistics sector in Cumbria is well established and widespread across the county with the concentration of jobs and in-land transport above the national average, reflecting the strong road transport links, especially the M6 /A66 axis along the east of the county.

Businesses within the sector took advantage of furlough through CJRS, initially. However, with more people working from home and using online delivery services and internet shopping, the logistics sector has responded to keep the county and country moving. The pandemic highlighted significant opportunities within the sector, specifically around local delivery and supporting the development of more local supply chains going forward. This year also saw a consultation on Freeports, which could significantly impact the logistics sector into the future, should a Cumbrian bid be successful.

Professional Services



The professional services sector has provided vital support for Cumbrian businesses during COVID-19. This has varied from underpinning digital development and online trading through to legal advice, supporting and delivering coronavirus loan applications and finding re-locators their new rural home. The sector has played an invaluable role in ensuring that the Cumbrian economy continues to function. There are now considerable opportunities to actively support the recovery phase, by working with local businesses to sustain their recovery, by supporting new businesses to anchor themselves within the county, and more generally to support general business and sectoral growth.

Rural



The Dairy Recovery Fund and the relaxation in competition rules around dairy production were welcomed early on, during the pandemic, in order to support the dairy sector. However, many agricultural businesses were unable to make use of the Small Business Grant scheme, and with existing gearing in businesses within the sector there has been a reluctance to take on more debt from the C-Loans available from government. An increased trend in buying local produce quickly emerged, and this consumer behaviour could be key to supporting the agricultural economy in Cumbria, going forward. On the conservation front many projects have continued, although potentially at a reduced capacity, especially for initiatives within the social-natural capital axis. Mental health and wellbeing has been a key concern, with several active networks providing key services for supporting business owners within the sector. A green recovery will be at the heart of the county-wide recovery strategy, and this will be realised through key partnership working and buy-in from across Cumbria.



Visitor Economy



The Visitor Economy in Cumbria has faced very severe challenges this year, with the total shutdown of the sector for a protracted period. Retail, Leisure and Hospitality grants have supported many accommodation providers and visitor attractions and have been well received. Since lockdown restrictions were lifted, Cumbria has seen an increase in new visitors, including more day visitors and a strong take-up in some areas of accommodation, although this is not consistent across all types of provision. Some early initiatives have supported the sector's recovery, such as a quality mark accreditation and the Government-backed "Eat Out to Help Out" scheme. The impact of the pandemic is expected to be seen far beyond the end of 2020, with the shorter operating season together with the end of furlough through the CJRS and the long-term fixed operating costs leaving the future of some businesses very uncertain. The sector is supporting recovery with a comprehensive and nuanced communication strategy, which has been delivered by key partners from the start of the outbreak; a strong bid for Tourism Zone status; and ensuring that the entire county can benefit from visitors through 'attract and disperse' to encourage visitors to less well known parts of Cumbria.

KINGMOOR PARK

Carlisle's Kingmoor Park is the only Enterprise Zone in Cumbria and is a former Ministry of Defence site, located adjacent to junction 44 of the M6.

CLEP was delighted to work with partners to help secure Enterprise Zone status for the site back in 2016.

That status continues to add impetus to maximising the opportunities that the site can provide for the area's economy, offering a combination of business rates relief and capital allowances.

The Enterprise Zone site is 122 hectares in total, of which 49 hectares are already developed, including high quality employment space. It is currently home to over 150 companies employing some 2,500 people.

The site offers over 2 million square feet of space and buildings for industrial, office and warehouse and distribution use.

A key aim is to take advantage of Cumbria's outstanding reputation as a centre for excellence in the nuclear and power generation sector, as well as building on a vibrant advanced manufacturing and logistics base.

Kingmoor Park has the potential to create an additional 3,000 jobs in advanced manufacturing, nuclear supply chain and logistics. It is highly accessible and offers considerable opportunity to attract new investors to the county and offer grow-on space for existing businesses.

A Delivery Board was established to oversee the implementation of the Enterprise Zone, with membership drawn from the CLEP Board, Carlisle City Council, Cumbria County Council and the Kingmoor Park Executive Team.

Highlighted activity during 2020 included:

- **Capital Investment Portfolio** – CLEP worked with partners at Carlisle City Council and Kingmoor Park Properties to secure inclusion within the Northern Powerhouse Area of DIT's Capital Investment Portfolio. This is shared via DIT with international partners considering investment in the North of England.
- **Solar Farm** – completion of a four-acre solar farm to provide a green energy solution to the site's private supply. Data so far suggests that on several occasions, Kingmoor Park has only used energy from the Solar Farm.
- **Masterplan Development** – developing this further with a view to securing project partners.
- **Energy from Waste Power Plant** – progressing this proposal with the Environment Agency permit in consultation phase, with the option to purchase looking to be extended beyond 2021.
- **Inward Investment** – Kingmoor Park is on the map internationally, with increased interest from international investors in locating at Kingmoor Park.
- **Highways Signage** – Planning permission received for 6m totem signage at all entrances to Kingmoor Park from the bypass. Grafix Signs has been instructed to install these.
- **ModVillage** – Re-purposing of 24 shipping containers (totalling 18,000sqft) to create modern office space. The first containers are now on site pending occupiers.



INVESTMENT FUNDING

Growth Deal Funding

CLEP's £60m Growth Deal Programme is nearing its conclusion having successfully invested in a range of projects delivering economic growth, jobs and supporting vital infrastructure improvements.

Once the benefits of Growth Deal have been fully realised, 4,000 jobs will have been created or safeguarded, 1,700 learning opportunities supported, 3,000 new homes created and over 60,000m² of new business space delivered.

CLEP has supported 35 projects through the Growth Deal with investments ranging from £0.2m to £7.2m. At the point of publication, 11 projects have been successfully completed with output monitoring underway, 14 are live with a further 10 in contracting

Projects include a £4.4m investment in Ulverston to support a number of strategic road improvements in the town, including junction redevelopments to unlock the newly created Beehive Business Park. The site has recently witnessed the opening of a number of national retailers including Marks & Spencer, Aldi and Screwfix.

In Carlisle, Growth Deal Funding is enabling the delivery of a new visitor attraction at Tullie House Museum. The 'Dressed to Impress' project will open up two original spaces concealed in the 1990's to create two costume and textile galleries, showcasing around 40 exhibits using contemporary and innovative interpretation. The project will attract more visitors and associated spend to Cumbria.

Once the benefits of Growth Deal have been fully realised, **4,000** jobs will have been created or safeguarded, **1,700** learning opportunities supported, **3,000** new homes created and over **60,000m²** of new business space delivered.

Whitehaven's bid for support from the national Future High Streets Fund programme is being boosted through a £1m catalytic investment to help fund the purchase of a series of vital strategic buildings in the town centre. The properties are central to delivering the transformational objectives of the Future High Streets Fund scheme, which will ultimately deliver an additional £20.5m of GVA, over ten years.

At the end of Q4 2019/20, CLEP's Growth Deal Programme has achieved the following outputs:

Programme Outputs	Jobs (Created Safeguarded)	Investment (Public & Private Match/Follow-on Investment)	Learning Opportunities	Housing	Sq. Metres Premises (Created/Refurbished)	Premises with access to superfast broadband
Outputs in BEIS Growth Deal Offer Letter	4,000	£100,000,000	1,700	3,000	62,000	5,000
Allocations/Commitments	6,099	£134,419,095	5,304	3,750	235,501	5,925
Forecast	6,903	£146,954,171	6,274	3,649	253,583	11,240
Achieved	1,830	£44,271,885	2,169	507	95,001	10,529
Achieved (% of BEIS Target)	45.8%	44.3%	127.6%	16.9%	153.2%	210.6%
Still to be achieved (From Offer Letter Target)	2,170	£55,728,115	EXCEEDED	2,493	EXCEEDED	EXCEEDED

Growth Deal Spend in Cumbria	
	£ms
Total Approved Funding	£60.32
Spend to end 2018/19	£40.20
Final Spend 2019/20	£7.30
Forecast Spend 2020/21	£12.82

Cumbria Growth Catalyst

The Cumbria Growth Catalyst Programme delivers a range of business support provision to SMEs throughout Cumbria. Designed to complement other key funding streams such as European Regional Development Fund (ERDF), the Programme has been delivered via a contract with the Cumbria Chamber of Commerce, which also runs the successful Cumbria Business Growth Hub. The value of the programme for 2019/20 was £0.246m with the following outputs delivered:

- 523 Diagnostics (3 hour support package).
- 112 Scale-Up Assists (12 hours of intensive support for businesses with the potential to increase turnover by 50% within three years).
- 32 Workshops across Cumbria.

Eligible businesses included those in the retail, leisure and hospitality, agriculture and visitor economy sectors, all critical to Cumbria's economic success.

An independent Interim Review of the Growth Catalyst conducted by Amion Consulting Ltd in June 2019 concluded that:

- *The Growth Catalyst has had a positive impact in supporting businesses in the priority sectors and is expected to contribute towards job creation and increases in business turnover.*
- *The Catalyst has been well managed and delivered.*
- *There is likely to be a continuing need to provide support to ERDF-excluded businesses.*
- *Future delivery should consider if businesses can receive more support than currently allowable under the scope of Growth Catalyst (i.e. more than 3 hours for non-Scale-Up businesses).*
- *In future programmes, the method for output recording and claims should be changed – i.e. to allow completion of outputs over a financial year and to claim to BEIS based on actual performance rather than in advance and by forecasting.*

The planned Final Evaluation was due to be undertaken in May 2020. However, as a result of the Covid-19 pandemic, this has been deferred until the end of the 2020/21 financial year to ensure that essential business engagement and survey activity to underpin the findings, can be completed.

The contract with the Chamber of Commerce to deliver the Growth Catalyst has been extended for a final year through until March 31, 2021. During this period, the following outputs will be delivered:

- 538 Diagnostics (3 hour support package).
- 121 Scale-Up Assists (12 hours of intensive support for businesses with the potential to increase turnover by 50% within three years).
- 24 Workshops throughout Cumbria.

In addition to this core offer, during 2020/21, CLEP will also be delivering an additional £0.216m of supplementary Catalyst support targeted at providing Covid-19 recovery support as well as additional Professional Services advice and guidance to businesses across Cumbria. This reflects identified gaps in current provision as well as a timely response to identified business needs in the current

economic climate. There is also an intention to deliver the Peer to Peer Network Programme bringing together groups of businesses to share experiences on key business recovery issues with the support of an expert facilitator. These aligned injections of funding will contribute to a holistic and coordinated approach to business support across the county.

European Structural & Investment Funds (ESIF)

CLEP continues to support the management of the European Structural Investment Funds (ESIF) programme 2014-20, which includes the European Regional Development Fund (ERDF), the European Social Fund (ESF) and European Agriculture Fund for Rural Development (EAFRD).

Cumbria has an allocation of £49.4 million of ERDF, based on current exchange rates, with at July 2020, £40.4 million of this contracted or in application stage, representing 81% of the total.

In addition, CLEP had an allocation of £33.3m of ESF with a wide range of projects underway aimed at supporting skills improvements from basic level skills through to Level 4 and above as well as providing support for people to secure jobs.

As part of the national response to Covid-19, the individual Managing Authorities have implemented a number of flexibilities within the ERDF and ESF Programmes to provide vital support as the nation recovers from the pandemic. Individual projects have been able to adopt these, removing prior barriers to receiving support such as those faced by many of Cumbria's priority sectors. In addition, under the ERDF Programmes, the Cumbria Chamber of Commerce was able to benefit from a share of a £10m Visitor Economy Recovery Fund as well as a £20m enhancement to local business support through its Growth Hub. This additional funding will, amongst other key activities, provide small grants to SMEs to enable them to implement COVID-19 recovery plans, build their resilience and safeguard vital jobs.



Cumbria benefitted from a share of a £10m Visitor Economy Recovery Fund from the ERDF programme

Growing our Potential programme

CLEP created the Growing Our Potential Programme to provide vital capital grant support to SMEs to deliver jobs and growth. The Programme has already approved grant requests totalling over £1m across 13 individual projects, supporting the creation of 60 jobs. The diverse range of projects includes a new caravan and camping site on the West Coast, digital and creative industry hubs, online business expansion and investment in equipment purchase to support productivity increases (examples featured below).

CASE STUDIES

Project Title: Total Power New Premises
Applicant: Total Power Installations Limited
Value of Grant: £120,000 (Total Project Cost £379,000)

After being served notice to vacate their rented premises, into which they had invested heavily, Total Power Installations sought a grant to assist with the purchase of their own premises. This project has facilitated the purchase, redevelopment and fitting out of a new premises to provide a permanent headquarters for Total Power Installations, as well as a new home for Laser Quest and Total Enigma, as tenants within the building at Hillcrest, in Carlisle. The financial security this will provide for the company has meant that they expect to create six new jobs, with the business looking to have a bright future.

Project Title: The West Wing
Applicant: Graphskill Limited
Value of Grant: £99,000 (Total Project Cost £250,000)

Graphskill Limited found increasing demand meant they were working at capacity in their existing premises. This project is the second phase of a redevelopment of their manufacturing site, and will see the construction of a new build extension to the existing factory and warehouse and an investment in a new laser cutter. This will enable the business to expand its manufacturing capacity and increase the range of services and products offered, creating five jobs by June 2021.

Project Title: Maryport Harbour Camping Park
Applicant: Maryport Harbour and Marina Ltd
Value of Grant: £123,033 (Total Project Cost £307,583)

This project is to develop a camping park at Maryport Harbour, providing twenty-six serviced caravan and motorhome pitches including six camping pod options, as well as an amenities block and café and all hard and soft landscaping. Developing a new camping park for Maryport will add a dimension to the tourism accommodation for Maryport, and in so doing satisfy a latent need that in a post-Coronavirus environment is considered likely to be more substantial and in demand. Once fully functioning, it will bring over 9,000 extra overnight visitors to the town across the full year and create 3.9 jobs directly with additional indirect and induced job creation in the town through additional visitor spend of over £500k per year.

Project Title: Fourth Generation Latex Print Farm
Applicant: Ast Signs Ltd
Value of Grant: £149,069 (Total Project Cost £374,023)

This grant is supporting the purchase of equipment to enable Ast Signs Ltd move to environmentally friendly wide format printing. Investment has already been made by the company into innovative water-based latex technology, and this further investment will support increased capacity and versatility, offering a broader business base and aiming to create eight jobs over the next four years.



FORWARD LOOK 2021

Jim Jackson
Deputy Chair



2021 is a really important year for CLEP in terms of investment funding. In my role as Chair of CLEP's Investment Panel, I will be focused on three priorities:

- **Ensuring that Cumbria's Growth Deal is fully spent** – by 31 March 2021, when the current round of funding expires. This is important in creating Cumbria's case as a credible location for significant future investment funding from both government and private investors.
- **Securing investment funding for April 2021 and beyond** – to deliver on our recovery priorities and move forward with our growth ambitions, CLEP needs flexible and long term capital and revenue investment finance from government. CLEP will therefore be sharing our thoughts in our responses to both the BEIS Post-Pandemic Select Committee Inquiry and CSR 2020.
- **Supporting Business Recovery** – exploring the potential to extend direct investment support to businesses, increasing the number of businesses that benefit, to aid recovery. The Growing Our Potential programme has been doing this successfully and over the coming months I will be exploring how we can take this forward into the future.

I look forward to working with the CLEP Board and the Investment Panel to deliver on these priorities.

Stewart Young
Vice Chair



2020 has been one of the most challenging years that many of us will ever have experienced, with COVID-19 testing the public, private and voluntary and community sectors to effectively respond to the health and economic impacts of the pandemic.

Alongside colleagues across the public sector, including my own organisation Cumbria County Council, I was pleased to witness the leadership responsibility that Cumbria LEP demonstrated in co-ordinating the business and economic response and plotting a course to recovery.

It is clear that recovery will take some time and as such CLEP's absolute focus for 2021 must be on supporting our business, employees and communities to build back better, making sure that going forward Cumbria's economy is more resilient, sustainable and inclusive. Cumbria has some unique recovery opportunities, given our economic structure, and it is really important that we do everything possible to deliver on the ambitions outlined in 'rethink'.

In respect of the Accountable Body role, I was very encouraged that CLEP secured an exceptional marking for its governance and accountability and I look forward to CLEP maintaining the standards that it has put in place, by working alongside the Accountable Body.

GOVERNANCE

CLEP operates a comprehensive governance structure, which informs, shapes and works collaboratively to focus on economic and business growth and development. The structure is designed to be inclusive, action-focused, focused on Cumbria's strategic economic and sectoral priorities and operates to the highest standards of accountability and propriety. All governance bodies are ultimately accountable to the CLEP Board, with the exception of the LEP Scrutiny Board, which scrutinises CLEP and its activities.

Inclusivity is taken very seriously by CLEP and there is a strong commitment to ensuring that all governance bodies are fully representative of the communities that we serve. We have ensured that the public, private and VCSE sectors are actively engaged in these structures and have appointed a VCSE lead on the Board to provide an effective conduit to the sector. Equally, we have a lead representative on the board to engage with Cumbria's SME businesses.

CLEP's investment decisions rest with the Investment Panel, which is responsible for overseeing and developing the pipeline of investment opportunities, in particular Growth Deal and Cumbria Infrastructure Fund monies. The Investment Panel operates to the same governance standards as the main Board, given its financial decision making responsibilities.

All governance bodies are committed to CLEP's three touchstone priorities of productivity, inclusive growth and net zero, with each considering how these can be mainstreamed within their work programmes.

The structure is aligned to the Local Industrial Strategy, with five Strategy Groups reflecting the five foundations of productivity: Ideas and Innovation, Transport and Infrastructure, Business Environment, Places, and People, Employment and Skills. Collectively, these Strategy Groups form the structure for delivering actions to address their overarching thematic issues, alongside the issues identified by sector leads.

Alongside the Strategy Groups there are eight Sector Panels, which focus on addressing the key issues that will either facilitate or inhibit growth in the sector. The Sector Panels are action focused, with each producing work plans that identify how they will take forward growth opportunities and address any barriers to growth. The eight Sector Panels are:

- Advanced Manufacturing
- Clean Energy (Formerly Nuclear)
- Construction
- Creative and Cultural
- Logistics
- Professional Services
- Rural Economy
- Visitor Economy



Advanced manufacturing



Clean Energy (Formerly Nuclear)



Construction



Creative and Cultural



Logistics



Professional Services



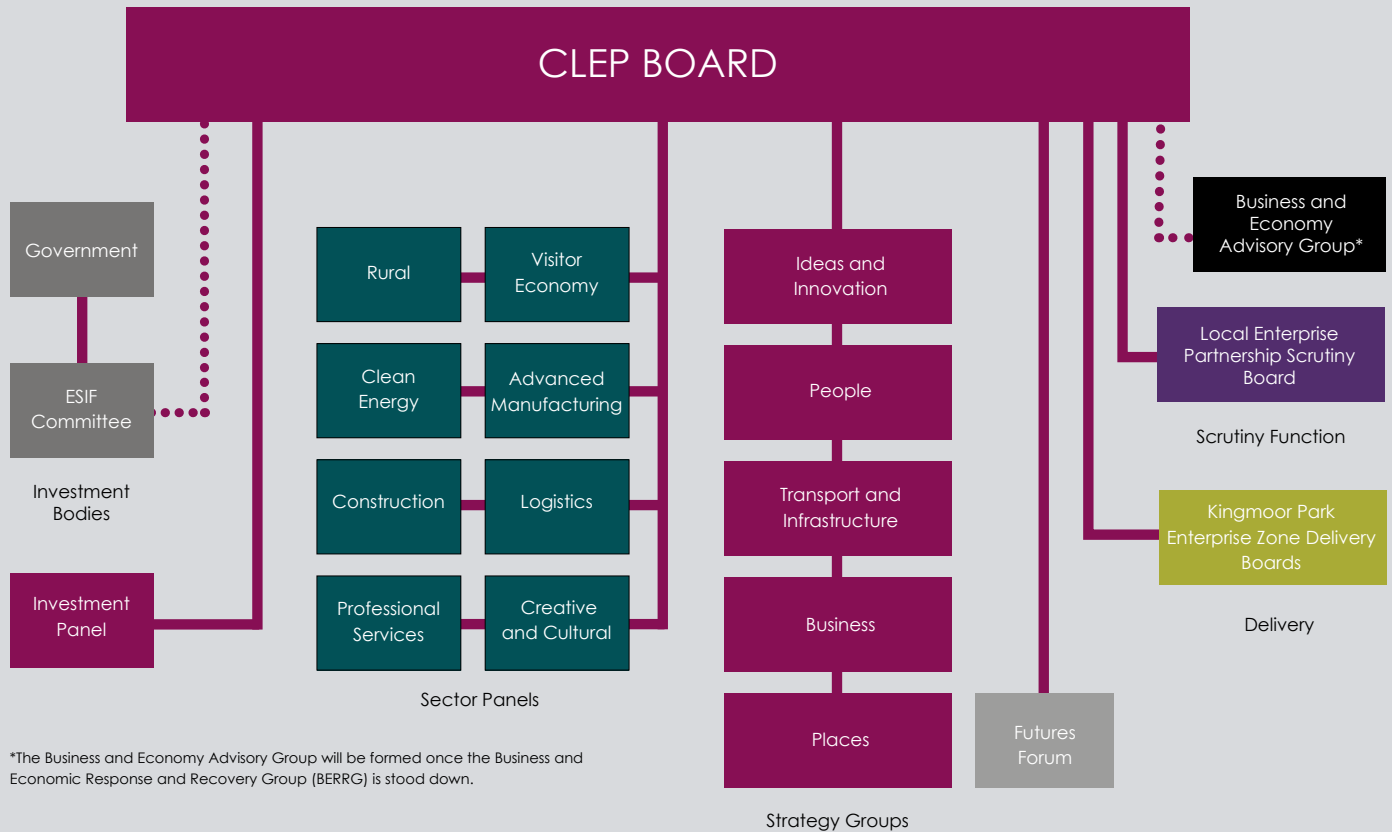
Rural Economy



Visitor Economy

Once the Local Resilience Forum was stood up at the start of the COVID-19 pandemic, CLEP was invited to lead the Business and Economy Response and Resilience Group (BERRG), the body responsible for the economic response and recovery. BERRG has been extremely active and productive, engaging over 70 business leaders, local authority and third sector partners to develop Cumbria's response to the economic and business impact of COVID-19 and to develop "Restart, Reboot, Rethink - A Plan for Cumbria's Economic Recovery"

The value of BERRG has been such that the CLEP board determined that once the LRF was stood down BERRG should transition to become the Business and Economy Advisory Group (BEAG) and formally adopted within CLEP's wider governance structure, providing an advisory voice and sounding board on issues related to the economy and businesses. The revised governance structure, once BERRG becomes BEAG, is outlined below.



CLEP is accountable to the LEP Scrutiny Board, which is made up of Cumbria's seven Local Authorities and chaired by Cumbria County Council, as CLEP's Accountable Body. This is fully compliant with government's requirement to see local government involved in the scrutiny of LEPs.

The Kingmoor Park Enterprise Zone (EZ) Delivery Board is responsible for oversight of Cumbria's only Enterprise Zone. It ensures that the benefits of Enterprise Zone status are maximised for Carlisle and Cumbria, more generally.

Local partners continue to participate in the nationally-led Ministry of Housing Communities and Local Government European Structural and Investment Fund Committee.

All LEPs had a target to achieve at least a third female Board membership by 2020 and equal representation by 2023. The first milestone was achieved a year ahead of schedule. Importantly, four of the eight Sector Panels are now led by female Chairs. CLEP is committed to making equally strong progress on broader diversity issues and in encouraging representation from under-represented groups and people with protected characteristics.

This year saw the inaugural meeting of the Futures Forum, which is made up of sixteen 18-35 year olds, who live and work in Cumbria, with a keen interest in economic development and a commitment to reach out to gain the views of other young people. CLEP recognises that young people are one of our most valuable assets and it is therefore important that they have a stake in the future of Cumbria's economy and are involved in influencing CLEP's activities going forward. The Futures Forum reflects the make-up of Cumbria's economy, with individuals invited from the private, public and voluntary sectors.

The LEP Board, Executive and Governance Structure Chairs would like to thank all of our businesses, public and voluntary and community sector colleagues for the important contribution that they have made to taking forward Cumbria's growth and more recently the response to COVID-19, and for their continued engagement with the Cumbria LEP governance structure. During such unprecedented times, the unwavering support of members has been, and continues to be important to Cumbria, its economy, its businesses and people.

ACCOUNTS

2019/2020 Accounts

I am pleased to present Cumbria LEP's (CLEP's) audited accounts for 2019/20, the first set for the company, following the completion of its first full year of operations on 31 March 2020. I am grateful to Armstrong Watson LLP for preparing the accounts and to David Allen Chartered Accountants for auditing these.

It was very reassuring to note that no material weaknesses in the accounting and internal control systems were identified and that no significant difficulties were encountered during the audit. Importantly, there were no significant findings from the audit that needed to be drawn to CLEP's attention. There were also no unadjusted items for the auditors to report.

In considering the accounts it is worth noting that the surplus funding brought forward and credited to the Profit and Loss Account in the period amounted to £526,879, and the Contingency Reserve recognised in the Profit and Loss Account, before being transferred to reserves, was £331,582. Therefore, the expenditure for 2019/20, net of interest and taxation, exceeded the income by £148,030. Corporation tax of £105.26 is due to be paid for the year.

Importantly, CLEP is in a healthy financial position carrying forward both a revenue and contingency reserve forward into 2020/21. Clearly, CLEP will continue to maintain its effective systems and processes and look to secure further funding so that going forward its expenditure does not exceed its income.

I would like to thank my Finance, Audit and Resource Committee colleagues – Dr Steve Curl, Sarah Swindley and Andrew Wren - for the role that they have played in ensuring CLEP is in good shape financially and to Paul Turney for providing the Accountable Body's input to the Committee. More generally, the Accountable Body has played a strong, supportive and productive role in ensuring that CLEP fully meets the requirements of its Local Assurance Framework. Finally, I would like to thank all of the organisations that have provided financial, secondment and/or in-kind support to CLEP, namely, Sellafield Ltd, Cumbria County Council, Allerdale Borough Council, Barrow Borough Council, Carlisle City Council, Copeland Borough Council, Eden District Council and South Lakeland District Council, which has been very much appreciated.

Nigel Wilkinson

Chair, Finance, Audit and Resources Committee



Statement of comprehensive income for the period ended 31 March 2020

	Period ended 31 March 2020 £
Income	2,085,216
Staff costs	(721,598)
Administrative expenses	(653,636)
Operating surplus	709,982
Interest receivable and similar income	554
Surplus before tax	710,536
Corporation tax	(105)
Surplus for the financial period	710,431

There were no recognised gains and losses for the period ended 31 March 2020 other than those included in the statement of comprehensive income.

Statement of financial position as at 31 March 2020

	Note		2020 £
Fixed assets			
Tangible assets	6		10,429
			10,429
Current assets			
Debtors: amounts falling due within one year	7	198,578	
Cash at bank and in hand	8	612,186	
		810,764	
Creditors: amount falling due within one year	9	(110,762)	
Net current assets			700,002
Total assets less current liabilities			710,431
Net assets			
Revenue Reserves			
Contingency Reserve	10		331,582
Revenue Reserve	10		378,849
			710,431

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

MEET THE TEAM



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THANK YOU TO OUR GROUP AND PANEL MEMBERS

Thank you to all members who have contributed to, or continue to contribute to our governance structure in 2020. Your involvement in the work of the Cumbria LEP is greatly valued.

INVESTMENT PANEL

Jim Jackson, Chair/ Fourwinds60 Consulting Ltd
Keith Ashcroft, Environment Agency
Steve Curl, Private Equity Specialist
Alison Hatcher, Cumbria County Council
Peter Hensman, Lake District Estates
Simon Sjenitzer, WYG Ltd
David Southward, Cumbria County Council
Mike Starkie, Copeland Borough Council
Chris Watson, International Nuclear Services

BUSINESS STRATEGY GROUP

Martin Allman, Cumbria County Council
Paul Armstrong, University of Cumbria
Sue Barnard, British Business Bank
Emily Bond, Futures Forum / Eden District Council
Mark Bowen, Lancaster University
Suzanne Caldwell, Cumbria Chamber of Commerce
Anne Champion, The Growth Company
Carolyn Dodwell, Chair
Eleanor Farrell, Cumbria County Council
Paul Foster, Federation of Small Businesses
John Grainger, Britain's Energy Coast Business Cluster
Gill Haigh, Cumbria Tourism
David Hall, National Farmers Union
Andrea Hines, Allerdale Borough Council
Phil Holfield, University of Central Lancashire
Sue Howarth, Family Business Network
Richard Jeffery, The Growth Company
Grahame Latus, Enterprise Answers
Barry Leahey, Playdale Playgrounds
Garry Legg, Carlisle City Council
Gary Lovatt, Federation of Small Businesses
Alistair Mackintosh, NFU
Steve Smith, Copeland Borough Council
Tiffany Solender, Department for International Trade
Mike Starkie, Copeland Borough Council
Karl Susol, Department for International Trade
Charles Watt, CW Consultancy
Alistair Westwood, CBI
Stewart Wren, Capita

IDEAS AND INNOVATION STRATEGY GROUP

Frank Allison, Innovation 2 Commercialisation (I2C) Ltd.
Andy Buchan, Consultant
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Jeff Chambers, Consultant
Andrew Cooney, Sellafield Ltd
Adrienne Easterbook, Energus
Sami Falou, BEIS
Chris Ford, University of Lancaster
Daniel Heery, 5GRIT/Cybermoor
Andrea Hines, Allerdale Borough Council
Rick Holland, Innovate UK
John Hodgson, Consultant
Helen Houston, Barrow Borough Council
Stuart MacLennan, Circular 1
Matt Mellor, Createc
Amaya Munoz, University of Manchester
Caroline Redhead, Burnetts Solicitors
Ken Royall, The Lakes Currency Project
Matt Simpson, Typhon Treatment
Caroline Waters, Balfour Beatty
Chris Watson, Marmalade
Andy Wicks, NHS
Adam Vaughan, The Idol

PLACES STRATEGY GROUP

Tazeem Abbas, The Tranquil Otter
Peter Allen, Chair / LDNPA
Sarah Mitchell, Copeland Borough Council
Phil Davis, Cumbria Action for Sustainability
Matt Williams, South Lakeland District Council
Angela Jones, Cumbria County Council
Kevin Kerrigan, Allerdale Borough Council
Alison Hatcher, Cumbria County Council
Hannah Latty, Lake District National Park
Jane Meek, Carlisle City Council
Sam Plum, Barrow Borough Council
Cath Purdy, South Lakes Housing
Steve Robinson, Carlisle City Council
Oliver Shimell, Eden District Council

PEOPLE, EMPLOYMENT AND SKILLS STRATEGY GROUP

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Victoria Dixon, Education and Skills Funding Agency
Sarah Glass, Centre for Leadership Performance
Grant Glendinning, Carlisle College
David Gregson, Lancaster University
Andrea Hines, Allerdale Borough Council
Heather Murray, Department of Work and Pensions
Tony Higgins, SP Logistics Training
Jonathan Johnson, West Lakes Academy
Jane Meek, Carlisle City Council
Sarah Mitchell, Copeland Borough Council
Chris Nattress, Lakes College
Judith Shafer, Beacon Hill School
Leily Sharif, G4S Welfare to Work
Mike Smith, Northern Skills Alliance
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Naomi Hollows, BEIS
Amanda Towers, City and Guilds (GEN2)
Robert Trimble, University of Cumbria

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Steve Curl, Private Equity Specialist
Jason Graham, Network Rail
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John Hope, Highways England
Lucy Hudson, Transport for the North
David Hughes, Cumbria LEP
Jo Lappin, Cumbria LEP
Keith Little, Chair / Cumbria County Council
Stewart Mounsey, Environment Agency
Nicola Parker, Cumbria County Council
Richard Perry, Department for Transport
Owain Roberts, Northern Trains Ltd
Stewart Young, Cumbria County Council

FUTURE FORUM

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Liam Edgley, Furness College
Daniel Hamilton, Cumbria County Council
Sophie Hodge, Carlisle Diocese
Laura Kay, Fairlight Communications
Ruth Leahy, South Lakeland District Council
Jason McAleese, Riverside Recruitment
Mitchell McCombe, Copeland Borough Council
Michael Natrass, Sellafield Ltd
Thomas Shaw, University Student
Karla Thomas, Playdale Playgrounds
Adam Turley, Baines Wilson LLP
Ryan Wilkie, CCL Solutions

ADVANCED MANUFACTURING SECTOR PANEL

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Mark Brook, James Walker
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Kate Dixon, University of Cumbria
Jonathan Hardisty, Siemens
Nik Hardy, Allerdale Borough Council
Michael Heaney, Pladis Global
Philip Jardine, Nuclear Advanced Manufacturing Research Centre
Jonny Lowe, Innovia
Ross McMahon, Kendal Nutricare
Jonathan Miller, Tornado Wire
Jayne Moorby, Oxley Group
David Moore, Copeland Borough Council
Andy Okolowicz, New Balance
Alan Otway, Marl International
Chintan Patel, GSK
Adrian Rawlinson, Marl International
Paul Storey, Gen2
Dave Watson, James Cropper PLC
Adam Wellings, Ast Signs
Matt Williams, South Lakeland District Council
Alan Wilson, Pirelli

LOGISTICS SECTOR PANEL

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Chris Clouter, AB Ports
Tony Higgins, SP Logistics Training
Chris Hoban, Copeland Borough Council
Jeremy Lihou, Port of Workington
Celia MacKenzie, Whitehaven Harbour Commissioners
Anthony Markley, Cumbria County Council
Helen Parkhill, Butterworths Solicitors
Neil Robinson, Chair / Tyson H Burridge Ltd
Karen Stalker, Stalkers Transport
Tracey Taylor, A W Jenkinson Transport Ltd
Sue Todd, Mountain Goat
Philip Wanless, CBEN
Jennifer Whyberd, WM Armstrong (Longtown) Ltd
Kate Willard, Carlisle Airport

CLEAN ENERGY SECTOR PANEL

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Sian Beaty, High Moorside Consulting Ltd
Tiffanie Blair, Futures Forum / CCL Solutions
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Adrienne Easterbrook, Eneragus
Paul Fletcher, Jacobs
Richard Griffin, Allerdale Borough Council
Daniel Hamilton, Futures Forum / Cumbria County Council
Alison Hatcher, Cumbria County Council
Sophie Hodge, Futures Forum / Diocese of Carlisle
Paul Howarth, National Nuclear Laboratory
Francis Livens, The Dalton Institute, University of Manchester
Stuart MacLennan, Circular 1
David Musco, Musco Consulting
Sally Shenton, Generating Better
Gary Shuttleworth, Morgan Sindall
David Southward, Cumbria County Council
Emma Toulson, Orsted
Martin Walkingshaw, Low Level Waste Repository Ltd
Rob Ward, Copeland Borough Council
Rebecca Weston, Chair / Sellafield Ltd

CONSTRUCTION SECTOR PANEL

Dee Addison, LLED Construction
Adrian Ash, Waitings Ltd
Darren Brown, Cumbrian Roofing Solutions
Stuart Conway, Ashtead Plant Hire Company Ltd
Monica Costelloe, CITB
Tommy Cubby, Cubby Construction
Kate Dixon, University of Cumbria
Nicky Gordon, Genesis Homes
Paul Graham, Top Notch Contractors
Stephen Hall, Cumbria County Council
Paul Hardon, Morgan Sindall
Nick Hayhurst, Copeland Borough Council
Greig Hill, Roland Hill
Tony Metcalfe, Metcalfe Plant Hire
Emma Porter, Chair / Story Contracting
Chetna Reay, Construction Risk Consultants
Allen Sharpe, Coombe and Sharpe
Chris Snow, Eric Wright
Mark Steele, Thomas Armstrong
Adrian Stubbs, Hanson Contracting
Tracy Todd, All Together Cumbria
Ryan Wilkie, Futures Forum / CCL Solutions
Ian Wishart, RHI Construction
David Wright, Gleeson Homes

CREATIVE AND CULTURAL SECTOR PANEL

Jane Beardsworth, Arts Council England
Matt Burke, Kendal College
Colette Conroy, University of Cumbria
Chris Hogg, Cumbria County Council
James Cobbold, Theatre by the Lake
Catherine Coulthard, Prism Arts
Darren Crossley, Carlisle City Council
Richard Elder, Rosehill Theatre
Richard Foster, Arts and Culture Network / LICAF
Colin Glover, Chair / Carlisle City Council / Cumbria's Museum of Military Life
Rhian Harris, Lakeland Arts
Dawn Hurton, Cumbria County Council
Tracey Ingham, Cumbria County Council
Lou Kneath, +3K Animations Ltd
Elizabeth Kwasnik, Beacon Museum
Adrian Lochhead, Eden Arts
Michael McGregor, Wordsworth Trust
Andrew McKay, Tullie House Museum and Gallery
Liz Moss, Lakeland Arts
Maddi Nicholson, Art Gene
Miriam Randall, Brewery Arts Centre
Jacqui Scott, Kendal Mountain Festival
Tom Speight, BBC/Rural Touring Network
Rebecca Stamper, Allerdale Borough Council
Nick Turner, Intro
Imelda Winters Lewis, South Lakeland District Council
Amanda Yellowley, Eden District Council

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Patrick Freeman, University of Cumbria
Joanne Holborn, Chair / Baines Wilson LLP
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Stephen McCullough, Armstrong Watson
Abigail O'Brien, Rachel Bell Wealth Management
Sarah Pemberton, Copeland Borough Council
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Caroline Rouncefield, University of Cumbria
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Jessica Patten, Environment Agency
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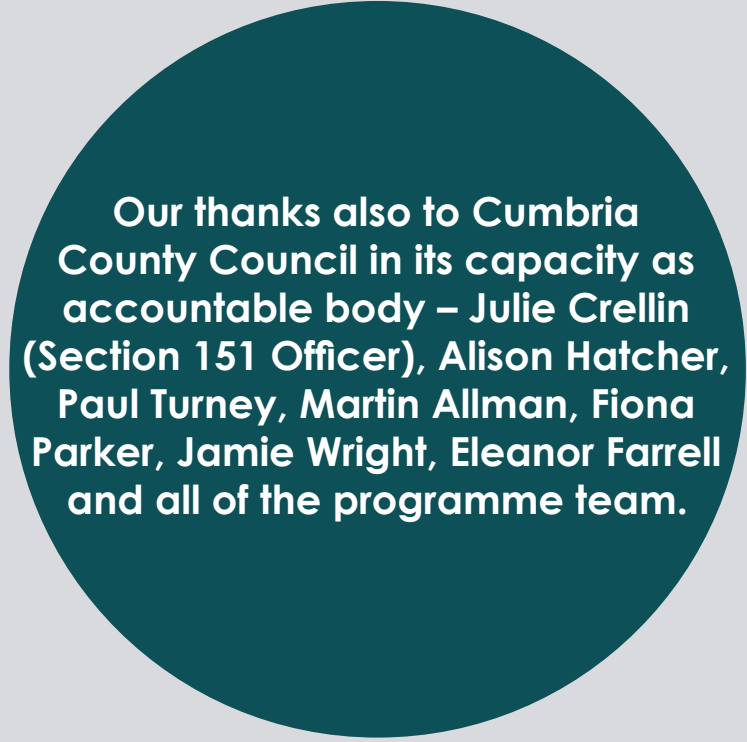
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BUSINESS AND ECONOMIC RESPONSE AND RECOVERY GROUP

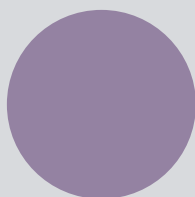
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Nigel Wilkinson, Windermere Lake Cruises
Matt Williams, South Lakeland District Council
David Wright, Gleeson Homes



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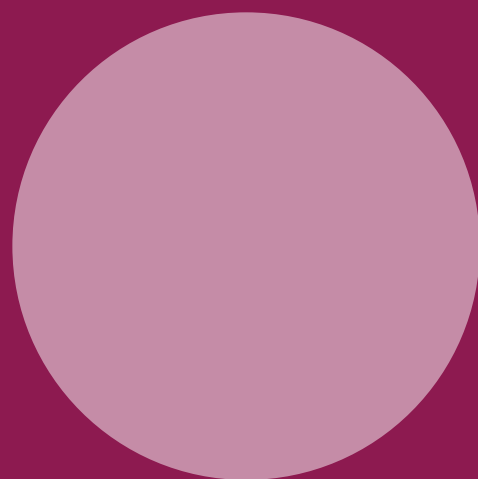
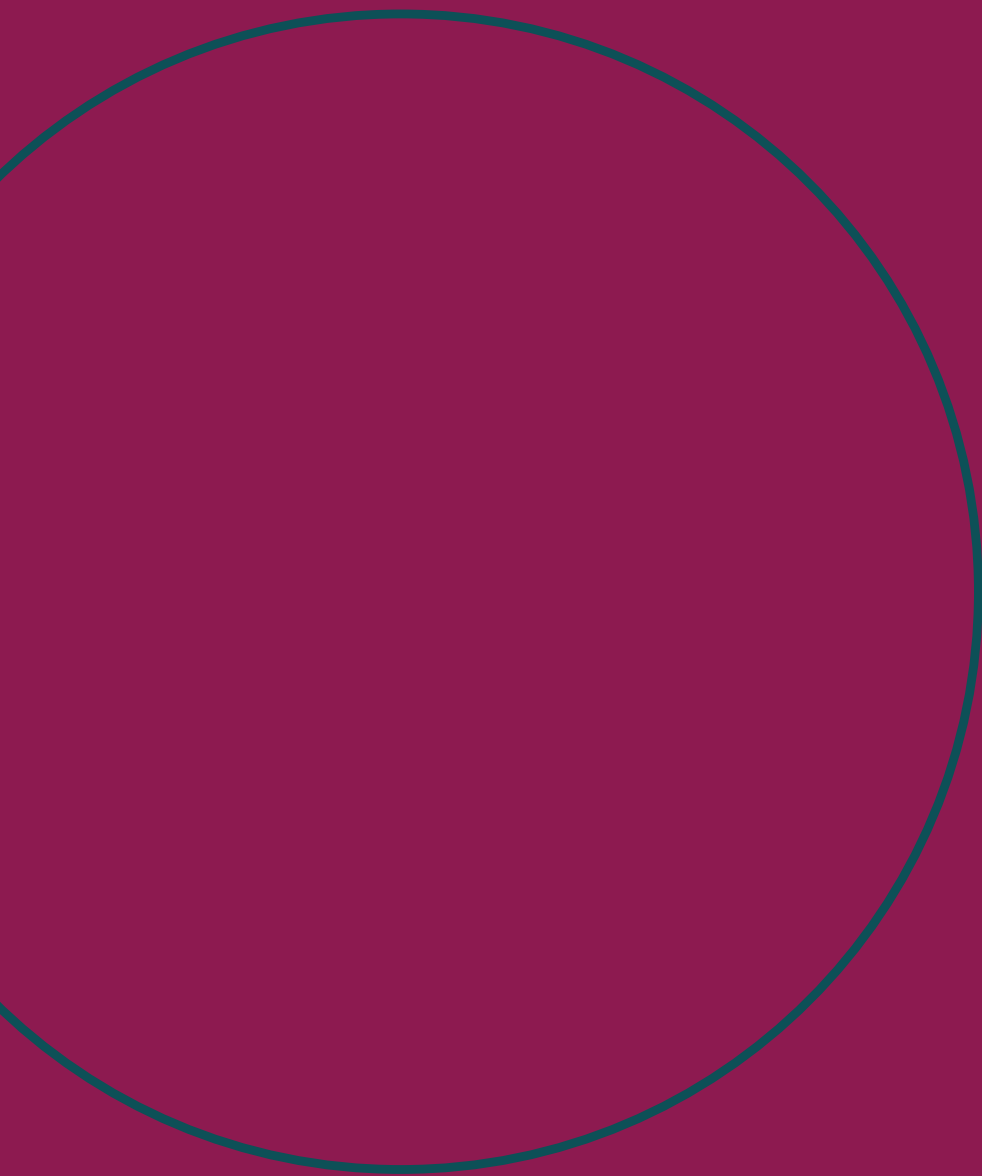


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ANNUAL REPORT 2020

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