

Enterprise M3 Board Meeting

26 March 2020

COVID-19 – Item 10

Enterprise M3 Board is asked to:

NOTE: The arrangements that are being made for business continuity and giving effect to the duty of care towards EM3 and Growth Hub staff.

NOTE: The work in hand to draw in intelligence on impact of COVID 19

NOTE : PMG have agreed that £250k of our revenue funding (available from the previously agreed capital-revenue swap) can be utilised to support programmes and projects that respond to the impact of COVID-19 on the economy and businesses in the EM3 area and

AGREE : that Dave Axam and Debbie Allen plus Rob Carr sign off expenditure from the £250,000 but that a pool of 6 board directors is identified in case either Dave Axam or Debbie Allen are unavailable.

NOTE: There will be a presentation to the board on impact on business, an update and action taken. The Board discussion will focus on how the LEP can further use its resources to support business now and also to help business recover.

1. Background

- 1.1 The full impact of COVID-19 for the economy of the EM3 area will not be apparent for some time but there are immediate effects arising from a significant reduction in activities such as travel, events, hospitality, loss of contracts as well as longer term implications.
- 1.2 Given that the scenarios will evolve rapidly the intention is to update the Board with the latest information at the time of the Board meeting covering following sets of issues:
 - Arrangements for giving effect to the duty of care towards EM3 and Growth Hub staff
 - Business continuity arrangements for EM3 and Growth Hub activities and programmes
 - Business intelligence on the current and potential impact on the EM3 economy and area
 - Supporting and informing businesses about the implications of COVID-19 (utilising the arrangements that have been put in place for the transition following the departure of the UK from the EU).
 - Joint work with business organisations, LAs and other LEPs. (see LEP Network letter to Ministers)
 - Actions to support business and possible activities aimed at recovery.
- 1.3 As a contingency, particularly given that rapid responses will be needed, the Board is asked to consider use of existing LGF funds (see Capital paper) to support business now and for the future. We have an initial agreement from PMG to £250,000 from revenue funds to support actions that will respond to or anticipate the impacts of COVID-19 on businesses and the economy of the area. We are likely to need to increase this amount of funding. These funds may for example be needed to support additional activity through the Growth Hub and other organisations. PMG requested that two board members (Dave Axam , Debbie Allen) and Rob Carr from the Accountable Body) sign off expenditure. In light of the predictions on how many people might fall sick to COVID 19 and the need to approve expenditure quickly. I am seeking agreement from the board that we identify a pool of a further 6 board directors who can approve expenditure and that one to two of them can then sign off expenditure if either Dave or Debbie are not available. Rob Carr will identify suitable alternatives to him should he not be available.
- 1.4 At this stage the expectation is that operational implications for EM3 as an organisation (such as the need to backfill or cover staff who may be affected by the virus) can be met from within existing operational budgets. We are intending to use all staff flexibly and are already talking about how we might redeploy careers staff who can no longer work in schools.

Kathy Slack
Director
20 March 2020

Simon Clarke MP

Minister of State
Ministry of Housing, Communities and Local Government
2 Marsham Street
London, SW1P 4DF

17 March 2020

Dear Minister

LEP Network: Offer of Urgent COVID-19 Response support

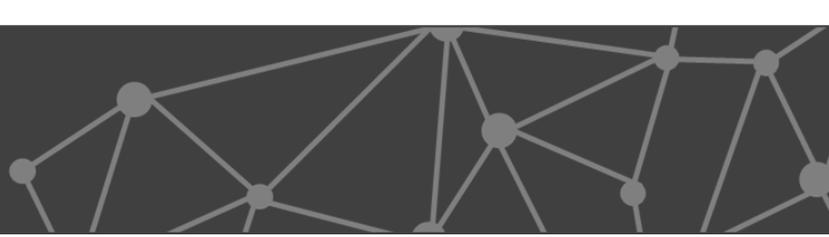
We were due to meet today and to introduce ourselves as the new team leading the national LEP Network. We fully understand the need to postpone our meeting and that the Chancellor plans to make further announcements later today, but wanted to write to you to raise a number of points we would have made and to offer our assistance in responding to the urgent challenges we face from COVID-19. We are also aware that our Vice Chair, Roger Marsh has been in touch with you by text.

Clearly these are unprecedented times. The shock and disruption our regional economies are facing is real and present. We must do all we can to provide understanding and confidence to businesses and communities, as well as providing direct practical support. We believe LEPs are uniquely well placed to do this. Having established effective local partnerships over the last 10 years, we have a presence in every region bringing together over 330 senior business leaders, over 180 locally elected councillors, together with Higher and Further Education bodies and third sector groups. We are flexible and adaptable and stand ready to re-orientate our work to assist the government in supporting business and the economy in the months ahead. LEPs are well versed in responding to crisis on the ground and are able to deliver rapid response activity with the appropriate governance wrapped around it. In addition, we have LEP Growth Hubs operating in every region, providing a direct channel of communication and support to local businesses.

You may be aware, that LEP Growth Hubs provided a critical channel of communications and intelligence, both to and from government, as we made preparations to leave the EU. This ensured businesses up and down the country had trusted information at the right time and in the right way. This is a role we are well practiced at and we stand ready to prioritise the activity of LEP Growth Hubs to align with national priorities. LEP Growth Hubs are already feeding back intelligence and are confirming the immediate concerns; namely the provision of direct and trusted advice and information, the provision of immediate liquidity support, banks to provide payment holidays on mortgages and rent, and to delay the payment of business rates and VAT, to provide proportional cash flow. These are immediate challenges and we can help.

Our Offer:

- **Networks** – to utilise the mature LEP networks already in existence, to lead the Business and Economic aspects of Local Resilience Forums.
- **Collaboration** – we have established relationships at a national and local level with many key parties eg BCC, FSB, CBI, LGA, CCN, etc which if co-ordinated well could provide Government with a



very effective channel. Our board members and executive teams bring a diverse and highly professional range of skills and are keen to take a lead role in whatever way Government sees fit.

- **Communications & Intelligence** – to utilise LEP Growth Hubs (and the additional £10m announced at Budget) to build capacity and provide a direct and trusted channel of communication to the local business community and to gather local intelligence, capturing the behaviour of intermediaries, banks, SMEs, larger corporates and their supply chains and reporting back through the reporting mechanisms at whatever frequency is now required.
- **Knowledge Base** – to utilise LEPs’ unrivalled knowledge of their local economies to help determine an evidence base for each region of critical businesses and prioritisation of support.
- **Payment mechanism** – to utilise LEPs’ existing disbursement mechanisms to ensure the efficient and effective distribution of support direct to local economies. LEPs can also ensure a consistency of approach across the country together with the required governance.
- **Liquidity Assistance** – to utilise and flex LEPs’ existing funding, through local Growth Funds and Local Growth Funding, to provide liquidity, subject to the introduction of appropriate controls. This is likely to mean securing your approval to use monies previously provided as capital for revenue purposes.
- **Development support** – to utilise the LEP Network to support the design and delivery of policy levers and/or financial instruments, ensuring they are configured to address local needs and deliverable through local systems.

- As an immediate first step, it would be helpful to nominate a departmental official as a **lead designated contact point**, to ensure the rapid and accurate flow of information through the LEP Network to every region in the country. The LEP Network will nominate **Mark Livesey to provide that role for LEPs**. I hope you find this a useful, timely and compelling offer to provide direct assistance in tackling the immediate challenges presented by COVID-19. At a personal level both of us are ready to step in and help.

A copy of this letter goes to Rt Hon Robert Jenrick MP, Rt Hon Rishi Sunak MP and the Rt Hon Alok Sharma MP.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Mark Bretton', with a long horizontal stroke extending to the right.

Mark Bretton
Chair, LEP Network

A handwritten signature in blue ink, appearing to read 'Mark Livesey', with a long horizontal stroke extending to the right.

Mark Livesey
Chief Executive, LEP Network