



# Liverpool City Region All Party Parliamentary Group

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## Non-Verbatim Minutes

### Liverpool City Region Local Industrial Strategy

Macmillan Room, Portcullis House

Tuesday 14<sup>th</sup> May, 17:00 – 18:00

**Alison McGovern MP**, Chair of LCR APPG, welcomed everyone to the meeting.

## An Overview of the LIS

### Steve Rotheram, Mayor of Liverpool City Region

The Local Industrial Strategy (LIS) gives us the opportunity to plan for 15-20 years. Tidal Energy is an example of a long-term project that would not have happened without 6 Local Authorities working together.

I'm often asked the question "why don't we have a tram?" Looking down the road at Greater Manchester, they have one because of the history of working together (AGMA). The political system doesn't afford the opportunity to plan longer term – devolution gives us the chance to do things differently.

LCR are taking an evidence-based approach for inclusive growth – linking strategies and setting the framework to deliver economic growth that affects the largest amount of people as possible throughout the City Region.

I want as many people as possible involved in the process and for people to take control and ownership of the LIS.

## Data relating to the Local Industrial Strategy

### Kirsty Pearce, Director of Policy and Strategic Commissioning for the Combined Authority

Timeframes – the work that has been done so far looks at data and service reports in order to analyse the economic drivers in the region.

There is a history of overclaiming the performance of sectors and parts of the economy, and as a result the region has lost some credibility. In order to rebuild that reputation, the Combined Authority (CA) is using an evidence-based approach to realise what they are world leaders at.

## Highlights from the key findings:

Productivity =

- 1) People in work are very productive. LCR ranks 4<sup>th</sup> in the North's 11 LEPs

- a. The driving sectors are advanced manufacturing and the production of medical and pharmaceutical products. As this is concentrated in a small number of companies the economy is not resilient and is vulnerable to the impact of Brexit for example.
- 2) Productivity per person is very low in comparison to other areas as there are lots of people out of work.
  - a. There are groups of inactive people who need help to reconnect with education or employment
- 3) There are areas of world class excellence
  - a. High performance computing – IBM computing
  - b. Computer science – University of Liverpool ranked 1<sup>st</sup> in UK
  - c. School of Tropical Medicine – University of Liverpool
  - d. Innovation in Advanced Manufacturing
- 4) There are strengths within the CR that could be stronger in collaboration with local areas
  - a. Life sciences link with Greater Manchester and Cheshire – more opportunities
  - b. Digital and creative arts – Greater Manchester and Leeds
  - c. Green energy – Cheshire
- 5) The importance of people and place
  - a. Creativity, innovation and hardworking nature
- 6) Visitor economy
  - a. Change perceptions of the region and encourage visitors and tourists
- 7) Future opportunities
  - a. Health
  - b. Skills
  - c. Educational outcomes
  - d. Commercialisation of research – links with business opportunities
  - e. Digital activity – link with healthcare may be an area for growth

## Responses

### **Dr Charles Whitford, the Manufacturing Technology Centre (MTC)**

The MTC is one of the Innovate UK catapult centres, founded in 2010 with £42 million funding, with an aim to bridge the gap between academia and enterprise. In 2016 the satellite centre opened in Liverpool, which works closely with universities to deliver innovation directly into industry. In order to create and embed skills the MTC delivers skills development programmes with colleges. The MTC is working with Local Authorities and City Regions to close their skills gaps, for example Oxford Nuclear Sector.

### **Lynn Collins, Regional Secretary NWTUC and the Metro Mayor's Adviser on Fairness and Social Justice**

The adult skills budget has been cut by 40%. A third of employers did not train staff last year. Job vacancies are seeing plenty of applicants, but they do not have the right skills. Access into the workplace is a big problem in the region. The LIS has to drive up employer engagement – employers need to deliver the training. The ground-breaking decision to fully fund all courses for all learners living under the living wage is welcomed.

Tackling inequality and delivering inclusive growth must be the foundation of the LIS. The recent IPPR report showed the extent how low pay is in the north, disproportionately affecting women. Other issues that must be tackled are:

- Children in poverty
- Social mobility
- Gender and BME pay gap
- Low aspirations in young people

What can we do?

- Interventions on a sectoral basis – low pay = low productivity
- Ensure investment funds, procurement and practice in line with PS equality
- Look at routes into the labour market for those in disadvantaged backgrounds
- Strategy has to be owned by everyone across the region
- Require a change of culture

### **Questions from Members of Parliament with other parliamentary business to attend:**

#### **Question: Louise Ellman MP, Liverpool Riverside**

Will the expansion of the port of the Liverpool be included in the LIS? Creative arts? A great strength of Liverpool. Is there support for business expansion? Access to finance etc.

#### **Question: George Howarth MP, Knowsley**

There has been a dysfunctional history of working together across the region, it is good to have the right people working together. What happens to young people completely outside the system? Knowsley has 500 - 600 young people that are not engaged with or have minimal involvement with the education system. Need intervention early.

#### **Question: Alison McGovern MP, Wirral South**

It was mentioned that the ONS data used to inform the LIS is already a year old when it is received. We must include people and what they want from the economy, especially women who contribute to the low productivity statistics due to lack of child care for example.

#### **Baroness Gloria Cooper, House of Lords**

Should football be included in the LIS? It is at the heart of the region.

### **Responses**

#### **Mark Basnett, Managing Director, Liverpool City Region Local Enterprise Partnership (LCR LEP)**

Everyone seems to be on the same page and the LEP's thinking is the same. Inclusion, diversity and equality are all priorities but the biggest challenge is skills. There are some of the worst health outcomes in the CR which has effect on employability. LCR needs to attract, train and retain talent. With regards to the Port, funding and investment in new facilities is continuing. In response to the question on Arts & Culture, it certainly is a stimulant to the visitor economy but also makes the whole place attractive to investors.

## **Asif Hamid, Liverpool City Region (LCR) Combined Authority Portfolio Holder for Business and Brexit & LCR LEP**

There are two or three key challenges, but skills is the national challenge. LCR needs to better leverage the brand – digital manufacturing for international investment. If we bring agencies together the opportunities internationally are massive.

### **Questions and Comments**

#### **Bill Esterson MP, Sefton Central**

Praise for the Mayor's "One Front Door", a new approach to attracting more investment and major business relocation into the Liverpool City Region. The mission to becoming a centre of excellence must capture the imagination of young people to not move to London but to stay, work and live in the region.

#### **Lord Michael Heseltine**

There has been the most exciting transformation in the region since 70s. Education policy is needed to get a grip on skills and apprenticeships, the CA does not have the role – get the education, skills and employment powers from government. With regards to the polluted rivers – why not set the standard by becoming a world class place with no discharges into the Mersey river in 25 years? The devolution agenda will resurge so start doing the things you want the powers for. Take modern technology into education – educate the way they want to be educated.

### **Response**

#### **Kirsty Pearce, Director of Policy and Strategic Commissioning for the Combined Authority**

This is very much the start of a conversation and engagement with people so the LIS is owned and registers with people. Businesses in the CR is a priority. On education, skills educational outcome and health are fundamental so we are looking at what we can already do without the powers. Economy – focusing on the right things is important but not underplaying the positives that are already there such as advanced manufacturing. Creative industries – there are talks about how they can grow through stakeholder engagement. Port – there has been huge investment but it is an untapped asset.

Business support – start ups and growth of SMEs is very important to the region – education to give the right opportunities and employers to attract university students to stay in the CR. Massive opportunity but we have to be ambitious and push the boundaries – starting to see the economy turn around but need to set out strong ambition.

### **Comments**

#### **George Howarth MP, Knowsley**

Look at other models of what to do with the young people that are out of touch with the system.

### **Alison McGovern MP, Wirral South**

Invited everyone to visit Bevington Farm in the constituency which works with young people outside of education system. Acknowledged there is a genuine challenge around education and without the intervention of people in the room, those people will still be left behind.

### **Steve Rotheram, Mayor of Liverpool City Region**

Agreed that every conversation leads to education or skills. Skills are failing a generation. In the region 82% of kids going to college need intervention in English and Maths and it has the worst NVQ achievement rate in the whole country. Devolution is an opportunity for Government and a real opportunity to deliver on the Government agenda.

### **Conclusions**

### **Alison McGovern MP, Wirral South**

This is a process and there will be future meetings to ensure we are engaging and heading in the right direction with the Local Industrial Strategy.