

Lancashire defining

Redefining Lancashire: Our Approach to Recovery

25 June 2020



Foreword

Lancashire has an amazing story to tell of natural beauty, of hard-working people, of legacy and of the future. As the birthplace of the Industrial Revolution, Lancashire is a place that makes things; innovation is in our DNA.

With a population of 1.5m people, over 60% of whom are working age, Lancashire has a significant talent pool. Across four universities, a student population of over 55,000 continuously adds to that talent every year. This workforce serves 52,000 businesses, generating £32bn per year, pre-Covid-19.

As a consequence of the impact of Covid-19, Lancashire's entire economic base has been adversely affected; manufacturing and tourism in particular, are at risk of irreparable damage. The pandemic will have significant impacts on the employment base and productivity across Lancashire for years to come. To date, 171,200 people have been furloughed across Lancashire by their employers and 18,834 redundancies have been announced. In May 2020, 82 Lancashire businesses went into liquidation or administration.

The impact on Lancashire's economy is yet to be fully realised, but already, there is an emerging picture of differential impact, across industry sectors, occupations and places. As a more granular understanding is developed, of the intensity and scale of impact, it's already clear that some parts of the economy will face long term obstacles to growth, and others will never recover. Our industry base and our people are fighting back to protect what has been rightfully earned and regain stability of employment and retention of key businesses, assets and capabilities. A combination of democratic and business leadership will determine the priorities and actions needed, to recover and recover quickly.

However, from a broad base of industry sectors, the immediate impacts of global lockdown are devastating, and most keenly felt in many communities, already disadvantaged through poverty and deprivation; in places which have been failed through decades of low levels of investment and unrealised opportunity. Whilst anticipating the benefits of a promised "levelling-up" agenda, Covid-19 has dealt a hard and severe blow.

Urgent action is needed now to limit the damage imposed to the sectors and occupations most exposed, with a continued commitment to support beyond the short-term until traction on recovery becomes real. Equally, a more comprehensive response to address the challenges and opportunities our businesses face as they fight for survival, stabilise, recover and return to growth must also be developed, which focuses on businesses and employment. Let's not also forget, the preparation businesses made to be resilient through the Brexit transition process, is now severely diminished.

Foreword

We don't pretend to know what is yet unknown, nor to predict an uncertain future which changes on an almost daily basis. We do know how to convene and galvanise our businesses, communities and people to fight back and be stronger. Our approach is simple:

- 1) Identify the sectors, occupations and places most severely impacted and bring forward immediate solutions to arrest and deflate the intensity of impact
- 2) Build and share with government, a real-time granular view of the impact of Covid-19 on our businesses, workers and places
- 3) Accelerate capital investment schemes which will generate new jobs, in the near-term, with the help of government
- 4) Bring forward a delivery programme which responds to the differential needs of our prime sectors, with a clear focus on business growth, job creation, skills and employment

This document sets out the first steps of a Covid-19 Recovery Plan, setting out Lancashire's economic priorities. It includes a series of projects and programmes designed to support the refunctioning of the Lancashire economy over the next 12 months. The programmes identified for support have been designed to bridge the gap between direct short term support provided to reopen town centres and restart public transport, and the longer term strategic ambition for Lancashire and the associated infrastructure and capital investment projects.

Each programme is designed to respond to the immediate risks to Lancashire's main sectors, protecting existing employment and economic activity, while also setting the scene for and contributing to the delivery of longer-term transformational projects that will support economic growth across Lancashire in line with the emerging themes of the Greater Lancashire Plan.

Lancashire is a brilliant collective of brands, brains, products, people, places, services, heritage, land and opportunity, with huge potential for growth.

The Northern Powerhouse Independent Economic Review identified the four prime capabilities of the North - Advanced Manufacturing, Energy, Health Innovation and Digital Technology. Lancashire has significant strengths in every one of these sectors. Despite this, Lancashire is often overlooked and over-shadowed by the core cities of Manchester, Liverpool, Leeds, Sheffield and Newcastle.



image: Preston Station

Foreword

The Lancashire local government network comprises of:

Upper tier authorities:

- Lancashire County Council
- Blackpool
- Blackburn with Darwen

Districts:

- Burnley
- Chorley
- Fylde
- Hyndburn
- Lancaster
- Pendle
- Preston
- Ribble Valley
- Rossendale
- South Ribble
- West Lancashire
- Wyre

In June 2020, Lancashire Local Government Leaders signalled collective intent to pursue devolution and the formation of a Combined Authority and Elected Mayor. The Lancashire LEP also welcomes and recognises this commitment as an essential game-changer, to enhance the lives of the people who live and work in Lancashire and to realise the full potential of Lancashire's businesses, assets, talent and capabilities. Together, we are determined to combine "place" and "business" leadership, to address the impacts of Covid-19, Brexit, Levelling-up of the North and building back stronger and more resilient than ever before.

Pre-Covid-19, we were already developing ambitious plans to optimise growth, improve the health and welfare of our residents and address the climate change emergency, through the production of the Greater Lancashire Plan, led by the Leaders of Lancashire Local Government. This plan sets out a new vision for inclusive growth, healthy communities and a cleaner world, delivered through a place-shaping strategy of public sector reform, economic growth and environmental sustainability. Lancashire LEP, equally committed to the Greater Lancashire Plan, will play a full role in supporting the production of that Plan and make its essential contribution through the business-led delivery of the County's Strategic Economic Framework.

Covid-19 will not change this commitment – but it does mean that we need to re-frame the challenge. Through our approach to Covid-19, we want to work in partnership with government, our communities and businesses to deal with the immediate and urgent issues and to set a clear route-map to recovery.



Geoff Driver CBE



Simon Blackburn



Mohammed Khan



Steve Fogg



Lancashire Overview

POPULATION



1.498million (2018) ¹

ECONOMY



One of the largest economies in the Northern Powerhouse



Over 52,000 businesses generating £32 billion per year



68.74million visits contributing £4.41 billion to the local economy (2018) and supporting 60,000 jobs



Over 85,000 specialists in the manufacturing and engineering sector



The greatest concentration of aerospace production in the UK, with the highest density of aerospace jobs, Lancashire is at the heart of the world's 4th largest aerospace cluster.



Higher than national average level of employment in food and drink manufacturing (c.12,000 people).



Over 400 creative and digital companies in the area making an annual GVA contribution of £700 million

ASSETS



137 miles of coastline



Four Universities attracting thousands of national and international students (55,000)



Lancaster University is recognised as being within the top 1 per cent of the world's universities and ranked 8th in the UK



Lancashire's Universities and Colleges combine to produce the UK's largest source of Science, technology, engineering, and mathematics graduates

TRANSPORT



Preston rail station serves over 7.5 million customers every year (5 million on/off and 2.5 interchanges), making it the third busiest station in the north west



2 hours by train to London and Glasgow



Less than 1 hour to Manchester Airport



Accessible via six major motorways (M55, M58, M6, M61, M65, M66)

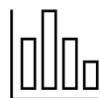


5 million journeys take place on Blackpool's tramway each year, 50% of which are by visitors

Covid-19 Impact



31% county wide **increase in Jobseeker's Allowance** applicants May 2020 (compared to November 2019). The largest increase was 56% in West Lancashire ²



4,932 confirmed **coronavirus cases** ³



171,200 employment furloughs ⁴



58% decline in **retail and recreation** activities ⁵



45% decrease in **public transport** usage and **44% decline** in **workspace** activity in June compared with March 2020⁵



Lancashire includes 3 of the **most deprived places in UK** (Blackpool, Burnley and Blackburn with Darwen) and **8 of England's 10 most deprived LSOAs** (all in Blackpool).



To date, **18,834 redundancies and 82 liquidations** have been announced across Lancashire.⁶



As of May 2020, 7% of the employment age population claimed Universal Credit (May 2020).



Self-Employment Income Support Scheme – 71.8% of eligible claimants made a claim. Total value of claims £123,700,000.

Redefining Lancashire: Our Approach to Recovery

This document builds on immediate Central Government support for re-opening the economy and sets the context within which the Greater Lancashire Plan will capture the county's long-term growth aspirations. The Greater Lancashire Plan at its heart will have three core components – delivering economic resilience, capitalising on the County's unique set of environmental assets and setting in train a public service reform programme that will transform the delivery of public services across the County, making Lancashire a beacon for place based service delivery and sustainable economic growth.

The Redefining Lancashire: Our Approach to Recovery document recognises that we are now 'Living with Covid-19' and as such our strategies need to be developed to ensure that the County can move into the recovery phase on a safe and sustainable basis. Therefore our planning makes Living with Covid-19 a central theme dictating the approach we have taken to the immediate and the short term. As we move on, we can begin to navigate into the 'new normal' geographical, sectoral and thematic boundaries. A sectoral focused response has been replaced by cross cutting themes that can provide immediate responses, address sectoral impacts, provide support to help change behaviours, and provide a response that is cognisant of Lancashire's geographical scale and variety.

Objectives

- 1 Support businesses to re-open
- 2 Support the re-functioning of the economy in the short term
- 3 Support local supply chain development
- 4 Respond to pipeline shocks in the economy resulting from current shutdown
- 5 Set the trajectory for the Greater Lancashire Plan and commence a pipeline of investment in major strategic projects.
- 6 Benefit Lancashire's workforce in the short-term and prepare for significant unemployment growth post-furlough.

Within the next 12 months, Lancashire will have:

- Started work on the Greater Lancashire Plan, supported and enabled by the Lancashire Enterprise Partnership Strategic Framework
- Taken steps to minimise impact on its nationally important industrial capabilities and sector strengths
- Made significant progress in delivering new transformational visitor attractions
- Identified and responded to new opportunities to maintain and grow skills, activities and productivity, while supporting those impacted by job losses.
- Retained and secured confidence in critical scheme delivery
- Continued to advance the critical pipeline of strategic sites, assets and infrastructure
- Embedded, shared and extended its strengths and capabilities in health and social care
- Supported the visitor economy sector by promoting domestic tourism, supporting business and jobs through support to re-open, and starting to connect the digital and tourism sectors through the creation of new digital platforms

Timescales

The Redefining Lancashire: Our Approach to Recovery plan builds on immediate Central Government support for re-opening the economy. It will provide the context from which the Greater Lancashire Plan will build on to achieve the county's long-term growth aspirations. Estimated timescales for delivery are as follows.

Immediate (0-2 months) – Allocated Government Covid-19 response funding support includes, but is not limited to, the following:

1. **Recovery Support funding to Local Authorities** – Lancashire received £47.3m in tranche 1 and £41.3m in tranche 2. The overall allocation relative to actual Lancashire Authorities spending in response to the pandemic is a deficit of £252m.
2. **Coronavirus Grant Funding** – A £415m allocation of the mandatory business grant fund was been awarded to Lancashire Authorities. This includes the Small Business Grants Fund and the Retail, Hospitality and Leisure Grants Fund. To date, 87% of this allocation has been paid out to 33,530 hereditaments. A further £19m has been made available via the Discretionary Local Authorities Grants Fund.⁷
3. **Re-opening Transport: Local Transport Re-Start and the Emergency Active Travel fund** – Funding allocations have been provided (£3.5m (Lancashire Authorities), £520K (Blackpool Council) and £385k (Blackburn with Darwen)) to deliver the programmes including the Lancashire Safer Travel Restart which has introduced temporary road space reallocation, road closures and pop up cycle lanes, as well as travel planning, public information and communications.
4. **Test and Trace Service**⁸ – In total, £9.4m has been awarded to the region - £6.3m to Lancashire, £1.6m to Blackpool, £1.3m to Blackburn with Darwen.
5. **Community Foundation for Lancashire** – £900k available to community organisations, of which £700k has been awarded to 227 organisations.
6. **Re-opening the High Street Safely Fund** – Funding to support Local Authorities to re-open high streets from 1 June. Lancashire Authorities have been allocated £1.3m to be used for action plan development communications and public information activity; business-facing awareness raising activities; and temporary public realm.

0-12 months – Our Approach to Recovery

Series of emergent propositions designed to bridge Government's Emergency Response Measures and the production of the Greater Lancashire Plan. The programme will seek to embed a new pattern of behaviours that respond to the 'Living with Covid-19' agenda but support the County as it seeks to create better lives for its people. Short term measures fall into 3 important but distinct groups:

1. Those that are about **immediate action** to protect employment and re-mobilise the economy;
2. Those which are about confirming and moving on agreed measures which **have far reaching consequences beyond the immediate scheme** if allowed to fall away; and
3. **'Shovel ready projects'** that can be delivered by 2022 that will support job creation and green recovery.

6+ months onwards – The Greater Lancashire Plan

The production of the Greater Lancashire Plan, including preparation of a robust evidence base, will take place during 2020/21. By the end of 2020, this will have been substantially progressed. A final plan will be published in 2021 which will set a long-term strategic vision for economy, public services and environment for the Lancashire Authorities, building on the interventions already developed through the Redefining Lancashire document.

Our Approach to Recovery

Immediate Government Response:

Continued funding support to Lancashire Authorities, improved borrowing rates, freedoms and flexibilities to mitigate the ongoing financial impact of Covid-19. This will allow resources to deliver the priorities for economic restart detailed in this document

Our Approach to Recovery – The Propositions

The Redefining Lancashire document comprises of four key propositions designed to respond to the scope of challenges facing the Lancashire economy, sectoral strengths and future priorities:

1. The Urgent and the Immediate: Identify the sectors, occupations and places most severely impacted and bring forward immediate solutions to arrest and deflate the intensity of impact. The sub elements to the first proposition are:

- A. Visit Soon Safely: Tourism, Leisure and Hospitality
- B. Visit Soon Safely: Town Centres
- C. Made in Lancashire: Aerospace
- D. Made in Lancashire: Manufacturing

2. Insight of Impact: Build and share with government, a real-time granular view of the impact of Covid-19 on our businesses, workers and places.

3. Accelerate Capital Infrastructure: capital investment schemes which will generate new jobs, in the near-term, with the help of government.

4. Develop a Response Programme: Bring forward a delivery programme which responds to the differential needs of our prime sectors, with a clear focus on business growth, job creation, skills and employment.

Proposition 1 – The Urgent and the Immediate

A) Visit Soon, Safely: Tourism, Leisure and Hospitality



Introduction

The Lancashire tourism offer is broad in its offer, contributes £4.4bn annual GVA and supports 60,000 jobs. In response to the estimated £3bn loss of tourism revenue that Lancashire is facing as a result of Covid-19, and the need to support the ongoing resilience of the sector, intervention is required at national level to ensure that businesses can continue to operate and retain and protect jobs. The public-private sector partnership has developed a proposition includes a series of pilot programmes designed to support business reopening. Lancashire can and does support many important town locations and an extensive urban, coastal and rural tourism offer. We will bring forward projects which deliver digital platforms for tourism management, ensure safe access and promote sustainable travel. The programmes will encourage behavioural change and support extensive reopening programmes.

- Visit Britain forecasts a £22bn drop in domestic tourism revenue in 2020 as a result of Covid-19,
- 2020 will be an extremely challenging year for Lancashire's visitor economy – as a consequence of lock-down, the industry faces three back-to-back winters. For Lancashire, we estimate this could result in a total economic loss of over £3bn.
- Many businesses in the visitor economy have found themselves ineligible for government support and local authority funding allocations due to rateable value, while others have struggled to access CBIL loans due to low turnover or limited length of trading.
- Younger people in particular, at risk in this workforce – many young people rely on the seasonal work which tourism provides in places like Blackpool.
- Seasonal workers, many of whom return year after year, may not return as people are forced to look for alternative jobs in other sectors.

- The sector needs to maximise opportunities in the domestic market, as well extend the shoulder season to accommodate demand later in the year to redress early season revenue losses, but faces the loss of the visiting family, as children return to school.
- The offer itself, dependent on social interaction needs to be adapted for delivery whilst "living with Covid" – this will impact the experience, revenues, profit and operating costs, as well as the costs of transition to delivery.
- Data and technology will play an increasing role in adapting the offer and managing demand and the costs of promotion, re-marketing the offer, and managing demand will be significant.

A longer term view on stabilisation and recovery is essential to incentivising business stability. With significant reduced revenues, this sector cannot survive emergence from the initial crisis to be faced with a wall of debt repayments, rent arrears and fiscal returns.

Programmes

1. Immediate Sectoral Support

Urgent action is now required to minimise the loss of businesses and jobs in Lancashire's tourism and hospitality sector. Visit Lancashire has already submitted representations of the DCMS Select Committee on the impact of Covid-19 on tourism. In summary, this requested the following support at national level for the tourism sector, based on the direct impact this would have on Lancashire's visitor economy.

- Further grant funding to tourism and hospitality businesses that are impacted by social distancing and continued closure requirements.

- Commitment to 'raise the bar' above the £51,000 rateable value limit for those businesses still unable to open who can prove the impact Covid-19 has had;
- Further extension of furlough scheme to support those businesses re-opening at significantly reduced capacity due to social distancing requirements;
- Pressure on insurance companies to pay out on their business interruption policies;
- Clear guidance for the wedding industry, which is currently at a standstill; and
- Funding for cross-over projects between the digital and tourism sectors to create platforms that will allow tourism businesses to build back safely in a way that maximises income.

In the medium term, measures including council tax freeze for self-catering properties and B&Bs, extension of the business rates 'holiday as well as removal or reduction in VAT is required.

Other measures include a specific support plan for the tourism and hospitality sector to see it through until March 2021, and beyond that, funding to deliver the tourism sector deal priorities. The funding priorities for Lancashire's visitor economy are detailed on pages 12 and 13, and will deliver significant benefits in evolving the visitor economy offer, as well providing significant economic impacts in the form of jobs and investment.

Focussing on the important role of the DMOs, both at present, and increasingly moving forward as the visitor economy responds, recovers and rebuilds, a national framework for tourism management is identified as a key first step, along with a 3-5-year financial settlement for DMOs in the medium term that recognises their role and contribution.

Programme 2 - Connect Lancashire

Expanding on the need for funding for cross-over projects between the digital and tourism sectors to create platforms that will allow tourism businesses to build back safely in a way that maximises income, the Connect Lancashire programme presents a first step towards digital visitor management.

Within 12 months the Connect Lancashire Platform, managed by Visit Lancashire, will be in place to manage visitor demand across the county.

- **Lancashire Coast (Blackpool, Morecambe, Fylde and Wyre)** – A clear strategy with short term (safe) events programme developed, including the illuminations, to ensure that millions of people can enjoy the coast this summer / autumn. Measures will include signposting, transport tools (car parks), temporary cycle lane / parking facilities, pop up cafes, takeaways and shops to support all forms of activity – a coastal programme. The programme will be supported by a digital campaign and app to provide 'real time' information to visitors.



Image: Climbing Pendle Hill

- **Rural Lancashire** – To support Lancashire’s rural destinations, including the Trough of Bowland, Pendle Hill and West Pennine Moors. Real time data will be used to identify 'hot spots' such that visitors can be directed to temporary (but safe) parking areas and again pop ups will be supported to deliver food and beverage products.
- **Lancashire Towns** – As the third part of the short-term visitor management plan and linked to the Town Centres proposition, a 'Make a Local Visit' programme will be developed to ensure towns play their part in welcoming visitors through the summer. Plans include an 'every town' cycling initiative which recognises that whilst Lancashire has areas of hilly terrain there is an opportunity everywhere to develop cycling as a form of access.

Start up Support – The tourism programme will be underpinned by an ambitious and innovative strategy that will see Lancashire support the creation of 250 new startup businesses across the three strands. These startups will be supported to supply digital content to marketing and promotion activities, site management services in rural locations, pop ups in the F+B sector and cycling storage and hire at the local level. The programme will be targeted at population groups adversely impacted by Covid-19 .

How does this link with the longer term?

Lancashire is already planning for the future of the tourism sector by adding sustainable new tourist attractions and events to its portfolio and supporting the ongoing investment to the existing attraction offer.

Visit Lancashire has begun work on its Tourism Growth Strategy for post 2020 which guide future investment and growth in the tourism sector. This work was paused due to Covid-19.

- Plans are progressing for the **Eden Project North at Morecambe, to be delivered by 2023**. This proposal will deliver a significant regeneration investment in a deprived location, creating jobs and providing general and mental health improvements to the community and visitors. In total, this is expected to attract c.760k visitors per year and as well as complementing the coastal tourism offer has further reach given its educational links through relationships with higher and further education and schools.
- **Towns Fund Deal** bids for Blackpool (to be submitted in 2020) will further support the redevelopment and diversification of the town centre to cement its role as an entertainment and coastal attraction. Other bids are being developed in Preston, Morecambe and Lancaster to support town centre redevelopment projects and will impact both town centres and the visitor economy as a whole.
- **Blackpool Central** – this £300m leisure development comprising a range of indoor attractions as well as new hotels, restaurants, a food market, event square, residential apartments and multi-storey parking will generate 1,000 new jobs and will attract 600,000 additional visitors a year with a combined annual spend of £75m.

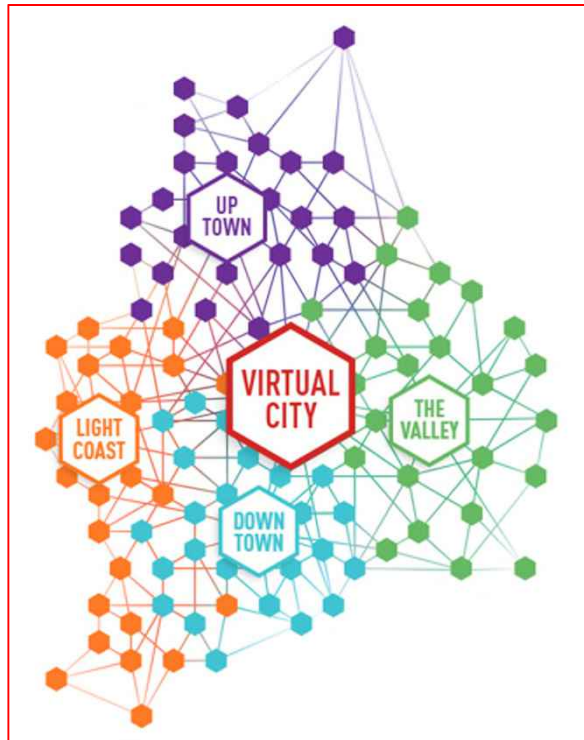


Image: Eden Project North

- Significant investment has been made at county level to support a bid for **2025 City of Culture status** (Figure 1). The Lancashire 2025 bid sets out an extraordinary creative concept, addressing the City / County issue head on and creating a compelling case for a whole county of culture status.

Central Government support for the delivery of these schemes and associated funding bids will deliver further growth in this sector, support employment base in this sector and allow for further expansion, as well as contribute to economic recovery across the county.

Figure 1 – Lancashire 2025 City of Culture bid concept



Proposition 1 – The Urgent and the Immediate

B) Visit Soon, Safely: Town Centres



Background

Lancashire is a county of towns, all already facing to different degrees the challenge that retail sector structural change has presented, and all requiring a distinct identity and a re-think around their economic role and function for the surrounding community. There is significant diversity to Lancashire's town centres. The coastal and rural town centres attract visitors from across the County and beyond and as a result are not entirely reliant on having a retail function. Key to town centre recovery in these locations is the return of the visitor economy and they will benefit from the support detailed in programme 1. Urban town centres will be more susceptible to further decline.

The pandemic has made these issues more challenging in the short term, and to address this, a pilot programme is proposed that seeks to drive activity, whilst also being aligned with the objectives of the High Street taskforce to start to diversify town centres. This is also an opportunity to change behaviour, supporting a once in a generation opportunity to change transport patterns and position public transport, walking and cycling as the best option to access town centre services.

Programme – Town Centre Pilots

A series of pilot projects in town centres will open up town centres and encourage a return of footfall in a managed and controlled way, as well as starting the first phase of the longer term project to transforming our towns.

- Support for a **town centre pilot** programme to open up town centres and encourage visitors / spend / return to work in a controlled and managed way. This will be rolled out across a minimum of 15 towns and will include all, or a selection of, the following measures in addition to interventions supported by immediate Government response funding.

This will include:

- **Transforming access** – bike / walking to support sustainable travel approaches. This could take the form of a £20m Investment in **mobility hubs** in 15 town centres, along with new cycle lane upgrades. This is aligned to emerging plans for connectivity improvements for transport, pedestrian and cyclists as part of Towns Fund and Future High Street Fund bids, including defining Morecambe Bay as a cycling hub.
- A programme of work, delivered in conjunction with the Lancaster University Place Research team that will **enable towns to 'rethink' and 'redefine' their economic role**. Transformation plans will be developed to drive forward this change programme.
- **Embedding health and social care as a town centre function** - the testing programme, track and trace and other initiatives will become an essential function of town centres. Across Lancashire towns we will bring forward up to 15 'community health and wellbeing hubs' which will include co located and accessible health and wellbeing facilities.
- **Link schools, nurseries and other community facilities reopening programmes** to town centre reopening plans to encourage a ramping up of activity in the short term and provide businesses with the ability to forecast demand.

How does this link with the longer term?

There is a need for the acceleration of existing programmes and decisions to support town centre activity, investment and redevelopment in the long term.

- **Acceleration of Government Property Agency (GPA) hubs decision** to support town and city regeneration plans (including Blackburn and Preston and associated investment plans). Commitment from the GPA will help strengthen the business case for the Preston Station Gateway masterplan and wider HS2 improvements, as well as projects for which viability is dependent on a future public sector pre-let. Alongside this, ongoing commitment is required to those schemes which have progressed further. The Blackpool GPA hub is now at an advanced stage and we hope for a formal agreement later this year.
- **Future High Street Fund and Towns Fund** – There is an opportunity to link short term pilot measures included in this plan with national town centre funding programmes to ensure funding addresses new challenges for town centres and helps to deliver transformational projects that will define their economic role moving forward. Towns fund bids (in Nelson, Leyland, Preston, Darwen and Blackpool) and Future High Street Fund bids (Chorley, Morecambe, Nelson, Fleetwood, Blackpool, Bacup and Kirkham) will seek to improve connectivity, develop social and cultural infrastructure and boost growth (Blackpool, Darwen, Leyland, Preston, Kirkham, Bacup, Chorley, Morecambe, Nelson and Fleetwood). A more specific example includes the delivery of Blackpool Central which will be key in bolstering the town's connectivity and reputation as an entertainment destination in the North of England.
- **Transforming Cities Fund** – The Transforming Cities Fund has a role to play in supporting town centres. We request that the key priorities of the bid that did not receive funding are reviewed and that further opportunities are presented to invest in accessibility, including investment in public transport, walking and cycling to support growth in Lancashire's core city region.

- **Housing** - City living as a priority which would lead into work on re-purposing and transforming city and town centres whilst linking to Blackpool's inner housing quality agenda. This could be delivered in partnership with Homes England and be a focus for Towns Deal funding.
- **Levelling up Lancashire's towns** – Many of the towns that are not subject to Towns Fund or Future High Street bids, for example Blackburn, Burnley and Accrington, are some of the UK's most deprived places. These towns already have in place ambitious town centre masterplans that aim to diversify their town centres and drive economic growth and projects that are ready to be delivered. To help level up Lancashire's towns there is a need for further support in these locations and we welcome the opportunity to engage with Government to address town centre needs and opportunities in these locations.

Longer term, there is a need to adopt a programme approach to securing schemes for towns as whole across Lancashire, administered locally and with citizen engagement which recognises **Lancashire is a place of multiple towns**. This would allow Lancashire to set and lead on its own agenda rather than individual places competing and trying to fit their priorities into ad-hoc national initiatives.



Image: Lancaster City Centre Shopping

Proposition 1 – The Urgent and the Immediate

C) Made in Lancashire: Aerospace



The Aerospace industry predicts annual revenue losses of £314bn, a 55% downturn in forecast as a result of the cancellation of 4.5 million flights this year. Lancashire's aerospace sector is at the heart of the 4th largest cluster in the world and provides the highest density of aerospace jobs in the UK. This sector faces one of the most challenging crises in its history:

- Global RPKs forecast to be 32-41% below forecast levels in 2021, not returning to pre-Covid-19 levels until 2024.
- The UK is committed to keeping its defence commitment at near to 2% of GDP due to current spend on committed pipelines. The split between civil and defence is not widely published, however it is believed to be 75:25.
- Many suppliers critical to the supply chain are identifiable SMEs considered to be at risk.
- Immediate challenges of site closures, logistics, employee absenteeism and isolation; financial issues, insolvency, cash flow, limited demand and stock in the system
 - 0-6 months: severe operational issues reported, re-start capability needs to be developed to achieve depleted order book volumes, shortages of all resources.
 - 0-12 months: Supply Chain - financial health weak, supplier closures, factory consolidation, consolidation monopoly, redundancies, sub-tier supply and logistics constraints; 20% supply production.
- If suppliers and skills capability are lost, the aerospace sector will never get them back.

Immediate Sectoral Support

An Aerospace Task Force has been created for the North of England with membership from BAE Systems, Rolls Royce, Safran Nacelles, Addison Precision, Senior Aerospace Westons, Kaman, ELE Technologies, Hycrome Aerospace, Gardner Aerospace, Airbus and Paradigm Precision amongst others. This Task Force will appraise and rapidly set out the actions necessary to mitigate the loss of jobs and make representation to government on the route-map to recovery.

Immediate support is required in the form of maintaining dialogue with all parties to enable:

- Tracking other countries' critical issues and support programmes with a view to working together;
- Onshore / support incentives through competitiveness and better cost positioning;
- Support to SME's through start-up programmes (e.g. selected Supply Chain 21 modules);
- Assess and act on consolidation, support the 'right' acquisitions;
- Invest in technology - product and process to drive efficiency;
- Invest in research, marketing, engineering, tooling; and
- Increase engagement with Defence, including, for example, shared supply initiatives, improvement, transparency, fragility and mitigation.

Further opportunities for working together:

- Collate top 150/200, understand common supply chains - natural groups and major structure suppliers;
- Share critical supplier information before a major problem occurs);
- Understanding how we re-capitalise the supply chain;
- Help companies find new customers and new programmes;
- Collectively ensure critical suppliers have smooth capacity loading;
- Share best practice support for suppliers;
- Collectively support SME's through restart (utilising vehicles such as Supply Chain 21);
- Fast approvals route for replacement suppliers and products;
- Work collectively with Government, private equity and financial institutions to develop financial support vehicle;
- Continue to highlight concerns to Government / request extended support; and
- Develop flexible skills programmes that will help support the wider advanced engineering sector.

Proposition 1 – The Urgent and the Immediate

D) Made in Lancashire: Manufacturing



Background

- Lancashire has an amazing pedigree for invention, ingenuity and innovation. It is a county of manufacture across multiple sectors and is uniquely placed to develop products, talent and innovation to respond to the current crisis and contribute to UK economic priorities given its sectoral strengths.
- Lancashire's aerospace sector is at the heart of the 4th largest cluster in the world and provides the highest density of aerospace jobs in the UK.
- As a whole, the engineering and advanced manufacturing sector employs 85,000 people across the sub-regional supply chain. A further 41,000 work in the energy and environment sector where we are the global leader in the development of small modular nuclear reactors.
- Four Enterprise Zones are focused on growing these sectors further still, and the Engineering Innovation Centre which recently opened as part of University of Central Lancashire's Preston Campus will significantly add to that asset base, as will the new home of the Advanced Manufacturing Research Centre (AMRC) at Samlesbury.
- A temporary collapse in demand for Advanced Engineering & Manufacturing products has taken place as a result of Covid-19 declines in travel, activity and energy demand, impacting the aerospace, automotive & power markets and supply chains. In turn, significant numbers of high value added jobs have been furloughed and potentially lost. This poses a existential risk to capacity and skills, irreplaceably lost to the wealth generating capability of the region.
- Pennine Lancashire, an industrial district of national significance, has some of the largest concentrations of manufacturing activity and supply chain in the country, strategically positioned within the M65/66 Growth Corridors linking East Lancashire, Greater Manchester and Yorkshire.

- The pandemic will have significant impacts on the employment base and productivity across Lancashire. To date, 171,200 people have been furloughed across Lancashire by their employers and 18,834 redundancies have been announced. In May 2020, 82 Lancashire businesses went into liquidation or administration
- Lancashire's established and developing capabilities in the manufacturing, health innovation and digital sectors should be supported to deliver products and solutions that directly respond to the crisis and help build Lancashire's ongoing resilience to Covid-19 and economic challenges in the longer term. The development of a local supply chain network will maximise the potential of Lancashire's economy and support job creation and retention.

Programmes

The made in Lancashire proposition comprises of 4 programmes designed to;

- Provide direct focused support to a range of impacted sectors;
- Address employment and skills challenges ahead, retaining talent and jobs, and minimising the long term potential impacts of recession on Lancashire's talent base;
- Develop local supply chains and allow consumers to access local products; and
- Provide a catalyst to start the process of transforming health and social care provision and position Lancashire to build on its health innovation strengths to drive growth in the health sector.

1. Sectoral Support:

- **National support for aerospace industry** - This sector plays a fundamental role in the success of the Lancashire economy, providing high skilled and high value advanced manufacturing and engineering jobs across the sub-region through its supply chain. Intervention at nationally level is required to support this sector (See Proposition 2: Made in Lancashire: Aerospace)
- **Support for the visitor economy** (See: Proposition 1 – Visit Soon, Safely)
- **Flexing the Enterprise Zone benefits** - This should include:
 - **Extending the period for retained business rates** from 25 to 40 years to create further local investment capacity, which in the short to medium term should support town centre transformation and support for the visitor economy.
 - **Extending the deadline for fiscal benefits to companies in these locations** to support recovery and in the longer term, maintain and boost innovation and business formation and supporting the aerospace and advanced manufacturing sectors.
 - **Link with Freeports** - need for further support to ensure the alignment of benefits for businesses between Enterprise Zones and any newly established Freeports, which in Lancashire could include Heysham and Fleetwood.
- **Funding and agreements for early phase and critical stage strategic infrastructure projects** – as detailed in proposition 4. The strategic infrastructure projects are designed to support the economic growth of Lancashire and are aligned with Lancashire's sector strengths and themes, often directly linked to Enterprise Zone corridors and Industrial Districts and Growth Corridors.

2. Talent and Skills:

Advanced Engineering and Manufacturing Lancashire Watchtower

An intelligence function designed to identify and understand supply chain risks and share sector intelligence on risks and opportunities in Lancashire. It looks out towards national and international markets whilst directing in a tailored growth and recovery programme which will leverage a tailored support infrastructure for the sector focusing on best practice. It has been designed to ensure that future shocks, in particular the threat of large scale redundancies, can be managed and responded to, once order pipelines have been exhausted and furlough comes to an end.

This will also allow for the redeployment of talent and skills into growth sectors such as low carbon and energy.

A 3 year intervention period, at a cost of £10.6m, could provide support for 400 businesses; safeguarding and creating 1000 jobs and retaining £300m of revenue. It will connect skill sets impacted by job losses to other growing sectors for redeployment, retraining in order to retain the skills base.

A series of further employment, skills and training support interventions have been submitted by the Lancashire Enterprise Partnership to the Department of Education and other routes for revenue support. Alongside the Watchtower function, these form a portfolio of programmes ready to respond to redundancy, increasing claimant counts and growth in NEETS (not in education, employment, or training) and over 50s unemployed, and delivering digital reskilling and start up support. Coupled with this, there is a requirement for an extension to the breadth and level of qualifications which can be delivered through the response to redundancy process to provide meaningful re-training for displaced manufacturing workers.

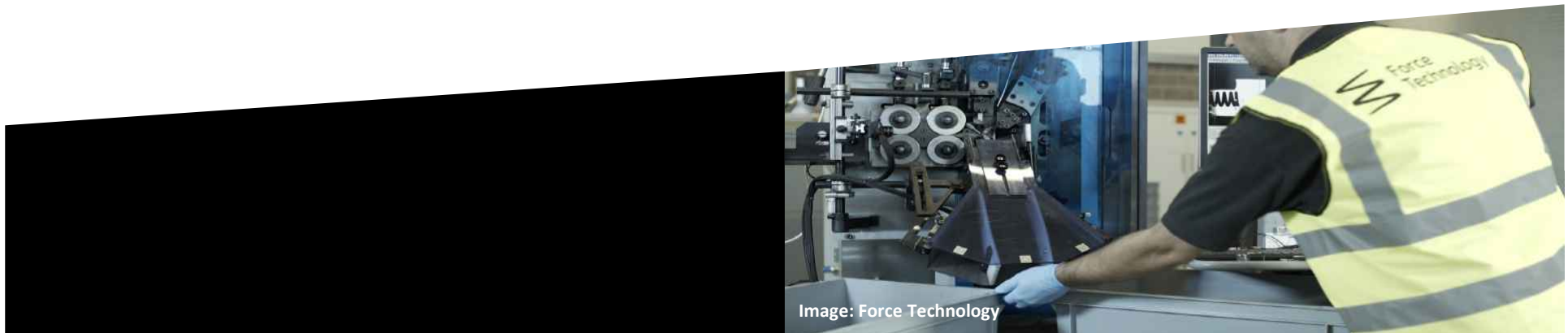


Image: Force Technology

This includes a series of localised, targeted interventions, acknowledging that areas requiring “levelling up” will drop further behind in the wake of Covid-19. A critical example is the Blackpool Opportunity Area which includes platforms to support the social mobility and educational and training attainment of young people.

Longer term, enhancing the digital skills of the local population to allow for the adoption of new technology and ways of working will be critical across sector. The Lancashire Digital Skills Partnership has been working in partnership with local organisations (public and private), Department for Digital, Culture, Media and Sport and corporates to enhance the digital skills of the Lancashire population. More needs to be done to ensure that digital disadvantage is addressed which will enable individuals to access on-line provisions and services, and facilitate public service delivery reform across Lancashire.

3. Local Supply Chain:

- **Developing local supply chains** - Funding to support reshoring and adaptation of manufacturing. Lancashire has potential to support health and social care supply chain, in particular PPE and Covid-19 response equipment, particularly in the Pennine Lancashire –Yorkshire, and Preston – Fylde Coast manufacturing corridors.

Alongside direct funding support, Lancashire should be identified as a pilot location for NHS procurement reshoring, requiring collaboration with industry, NHS and the Lancashire Enterprise Partnership to reshore key products, materials and supply chains, building on the regions existing manufacturing capability, skills and logistics network.

Reshoring and adaption requirements are not limited to health and social care. Target sectors will also include Lancashire’s other sectoral strengths and growth areas including food production, energy, agriculture and advanced manufacturing. National support in this area should be channelled towards tier 2/3 suppliers and should also link the opportunities presented by investment in High Speed 2 to support the advanced manufacturing sector. In addition, Professional and Business Services support to aid the reshoring and adaptation process would be drawn upon. Diversification of business models and service offerings will help to drive economic resilience across Lancashire.

- **Buy Lancashire** - Procurement and logistics pilot, creating new local supply networks to ensure that products can reach new customers. It will have two levels, business to business purchasing, and consumers purchasing locally produced food, goods and services, building on the momentum generated during the pandemic and the associated low carbon benefits. A food element will be linked directly to the town centre project pilot, which will support sale of local food and produce.
- To drive the development of local supply chain, as well as supporting adaptation and reshoring, a support programme is required to **maintain and grow the pipeline of new homegrown enterprise**. Lancashire has some of the strongest business start-up rates in the north and this entrepreneurial spirit has a role to play in the resilience and performance of the economy moving forward.

Blackburn with Darwen, which has one of the strongest business start-up rates in the region, is one of the Government’s Social Integration Pilots, and an enhancement of this programme is requested to include a business growth element to the programme. This would provide support to Asian Heritage entrepreneurs and should be linked with DIT given the opportunity to capitalise and grow existing international relationships.

4. Health and Social Care:

Lancashire has existing strengths in health innovation through its academic and clinical networks and is well positioned to absorb growth in the health economy. Support is however required to take advantage of this growth opportunity and provide a platform for wider reform including integrated commissioning arrangements and the longer term development of new health care models which is essential given the scale of provision required across the sub-region. Interventions to support this growth include physical facilities, skills and digital. There is also cross over with the local supply chain development detailed in programme 1.

- **Physical programme** – Lancashire authorities are progressing social care housing and support strategies which will provide a wider range of better tailored housing and care options. Learning from Covid-19, these are now more relevant and more urgent to provide quality, safe care moving forward. Delivery will counteract potential market failure in the sector and post Covid-19 sector shocks and provide new exemplar extra care facilities, as well as developing a pipeline for the construction sector.
- **Skills, training and innovation** – Provision of new facilities provides an opportunity to link employment opportunities in the sector with training and education leavers in the health and social care sector and drive opportunities for digital sector social care support. Lancashire already has 30,000 people working in the sector, but it needs to keep growing and to adapt. The development of digital and manufacturing solutions for this sector as part of a local supply chain will help to diversify the sectoral skills base and drive innovation.

Longer term, and in anticipation of broader service delivery transformation as part of the Greater Lancashire Plan implementation, broadband roll out to areas of high public service reliance should be prioritised following completion of rural and urban conurbation programmes.



Proposition 2 – Insight on Impact



Build and share with Government, a real-time granular view of the impact of Covid-19 on our businesses, workers and places

The greatest challenge of Covid-19 is to not fully understand its impact on the health of the population, and in the same way, on the unavoidable economic recession. Whilst it's possible to model and predict various scenarios of recession and recovery, at a macro-economic level, there is no accurate way of forecasting its impact on sectors and occupations.

The granular understanding which informs and determines an approach to recovery, can only be derived from the day to day lived experiences of our businesses and workers. This is particularly important in these challenging times when openness and transparency between businesses, to mitigate failure and innovate new pathways to success, has never been greater.

In concert with the actions of the Local Resilience Forum, and the implementation of the Government's package of emergency support, Lancashire very quickly established six key sector groups, comprised of business leaders who know best, their businesses, their industry, their supply chains and their customers:

- Manufacturing
- Energy and Low Carbon
- Food and Agriculture
- Health
- Digital
- Tourism, Leisure and Hospitality

Business leaders from each sector, representing different sizes of enterprise and geographical locations, convene together at frequent intervals, to characterise the different phases of recovery, identify the challenges and opportunities of each phase and establish priorities for action.

Their emerging findings will continue to inform and shape our collective commitment and action to recovery, working with our local and regional partners. The combination of place and business leadership and the insight they bring together, is generating solution-orientated propositions for Lancashire, consisting of both an "offer" and an "ask".

Our commitment to government is to co-develop an effective approach to recovery through the sharing of this insight and evidence and development of strategic propositions.



Image: WEC, via Marketing Lancashire

Proposition 3 – Accelerate Capital Infrastructure



Lancashire has a significant strategic infrastructure and investment plan designed to provide the conditions to deliver economic growth and prosperity in the region. The plan (on page 24) includes transformational short and medium-term projects with a value of over £10bn. These projects are aligned to Lancashire's ambitious growth potential and the Plan requires investment to ensure timely delivery of around £2bn of these capital projects.

The plan comprises of major road, rail, digital, energy and utilities infrastructure aligned to major economic development projects that will create new jobs and deliver housing. In terms of scale, all of the included projects exceed a threshold of 500 houses or are major projects with infrastructure requirements that will deliver benefits and outputs beyond the local area.

It is essential the strategic transport networks that serve the county continue to operate in the most efficient and effective way if Lancashire is to remain competitive. The arrival of HS2 services in Preston towards the end of the decade will enhance Lancashire's strategic connectivity even further and provides a significant economic development opportunity building on this national infrastructure investment.

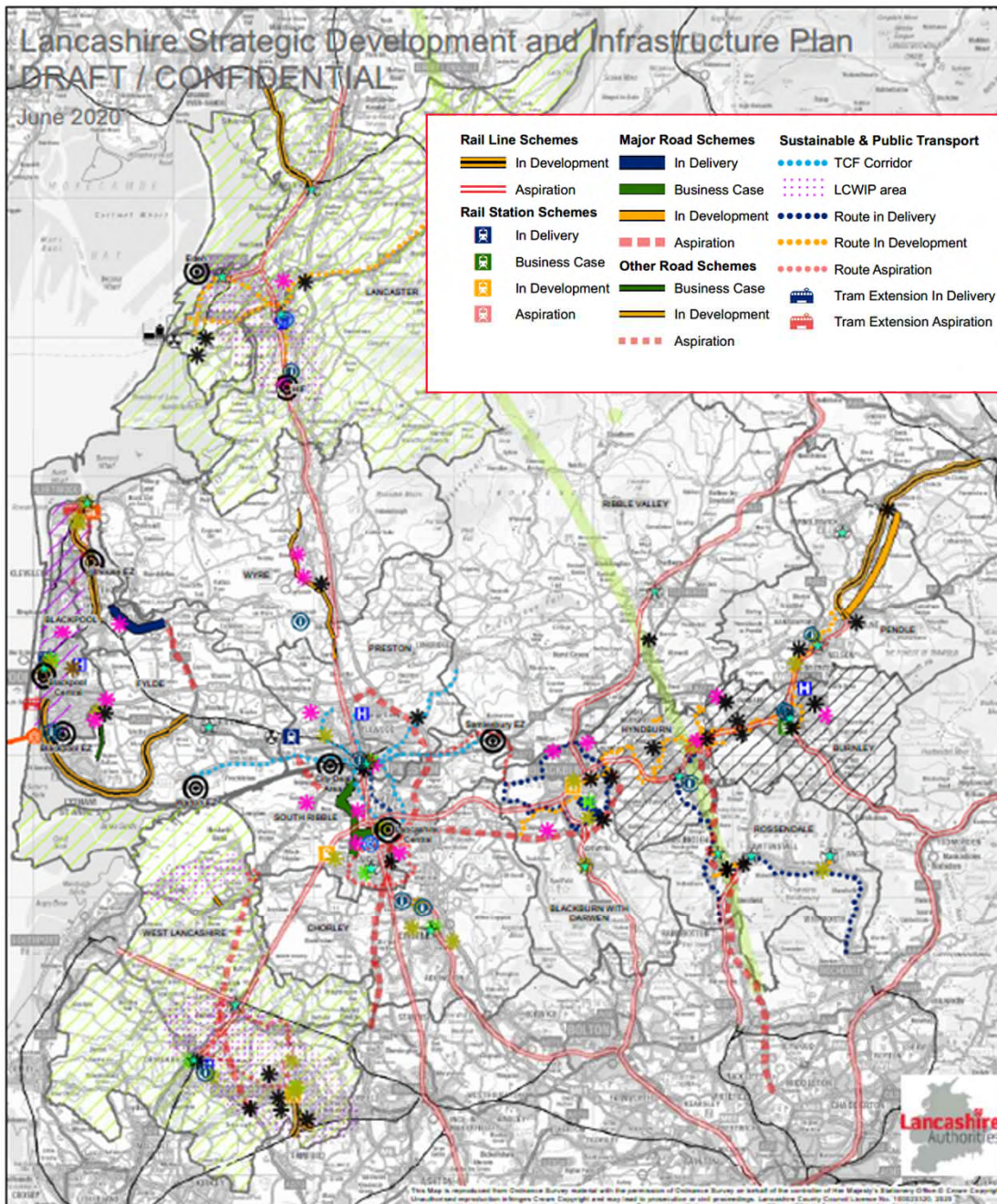
Despite benefiting from the central Lancashire's position on the nationally significant north-south road and rail corridor, Lancashire is constrained by poor east west routes. East-west transport links across Lancashire to the Leeds City Region are in general inferior to those running from north to south both in terms of road and rail and there is poor rail connectivity between East Lancashire's deprived communities and Manchester and Manchester Airport. A similar situation exists in West Lancashire where connectivity is fragmented by poor quality local roads providing ineffective access to the Strategic Road Network and the direct rail route between Preston and Liverpool partitioned at Ormskirk.

In response to the Ministry of Housing, Communities and Local Government's (MHCLG) call for shovel-ready projects or phases in June, Lancashire Authorities have identified c.70 proposals, totalling an investment value of £683m and with the potential to leverage benefits of approximately £3bn.

A number of the strategic projects identified in the submission to MHCLG are at critical points in their delivery. In the short term it is vital that existing commitments from Government are honoured and that decisions on ongoing negotiation are accelerated. This will build stability and confidence and avoid schemes stalling and having knock on effects on wider growth priorities. These projects were identified as priorities requiring a total investment of £62.5m

The priority schemes and shovel ready projects are construction projects which are at an advanced enough stage of development for works to commence and have a defined completion date where either the scheme as a whole, or a package of works will be completed by 2022 at the latest. A summary of the priority schemes are provided on page 25.





Priority Infrastructure Projects List

Project Name	Project type	Existing competitive process?	Location (local authority)	Total capital £ ask (£)
Abingdon Street Market Acquisition and Rejuvenation	Regeneration	The project to be submitted as part of Blackpool's Future High Street Fund bid in early July 2020 but the shovel ready scheme is restricted to a possible delay until October 20 for a decision.	Blackpool	£ 3,634,000
Alker Lane		No	Chorley Borough Council	£ 2,250,000
Burnley Town Centre Master Plan - Pioneer Place Retail/Leisure Development	Regeneration	No	Burnley	£ 3,681,400
Digital Education Upskilling Hub	Skills	No	Blackburn with Darwen Borough Council	£ 523,386
Eden Project North - advance transport management and capacity investment	Employment	No	Lancaster	£ 8,000,000
Fleetwood Docks Mixed Use Regeneration Project - Fish Park & SME development and Enabling Works for Housing	Employment	No	Wyre Borough Council	£ 4,030,385
Hillhouse EZ - Electrical, Water and Access Infrastructure	Enabling Works	No	Wyre Borough Council	£ 504,000
Houndshill Extension Scheme	Regeneration	The project was originally submitted as an FHSF fast track scheme in November 2019 but no decisions were made by Government at that time. It is now to be submitted again with Blackpool's Future High Street Fund bid in early July 2020 with the request that approval as early as possible so as not to delay it further. There is a risk that this shovel ready scheme may be delayed for decision until the autumn which is likely to add to further costs and uncertainty.	Blackpool	£ 5,000,000
Lancashire Centre for Alternative Technologies - RedCAT	Clean Energy/Resource Efficiency	N/A	Accrington /Pan Lancashire	£ 1,500,000
Low Carbon Manufacturing Building Demonstrator	Innovation	No	Lancashire	£ 2,500,000
M55 Heyhouses Link Road	Transport	NPIF and Highways England funding	Fylde	5,790,000
Nuclear Materials Management - Thermal Treatment (Technology 1)	Clean Energy/Resource Efficiency	Yes	Preston	£ 5,000,000
Nuclear Materials Management - Thermal Treatment (Technology 2)	Clean Energy/Resource Efficiency	No	Preston	£ 5,000,000
Pendle Park	Enabling Works	No	Pendle Borough Council	£ 3,350,000
Bengal Street (accelerated project)	Regeneration	Yes, One Public Estate Funding	Chorley Borough Council	7,000,000
Tatton (Accelerated project)	Regeneration	Yes, Homes England Funding	Chorley Borough Council	5,500,000
TOTAL				62,500,000

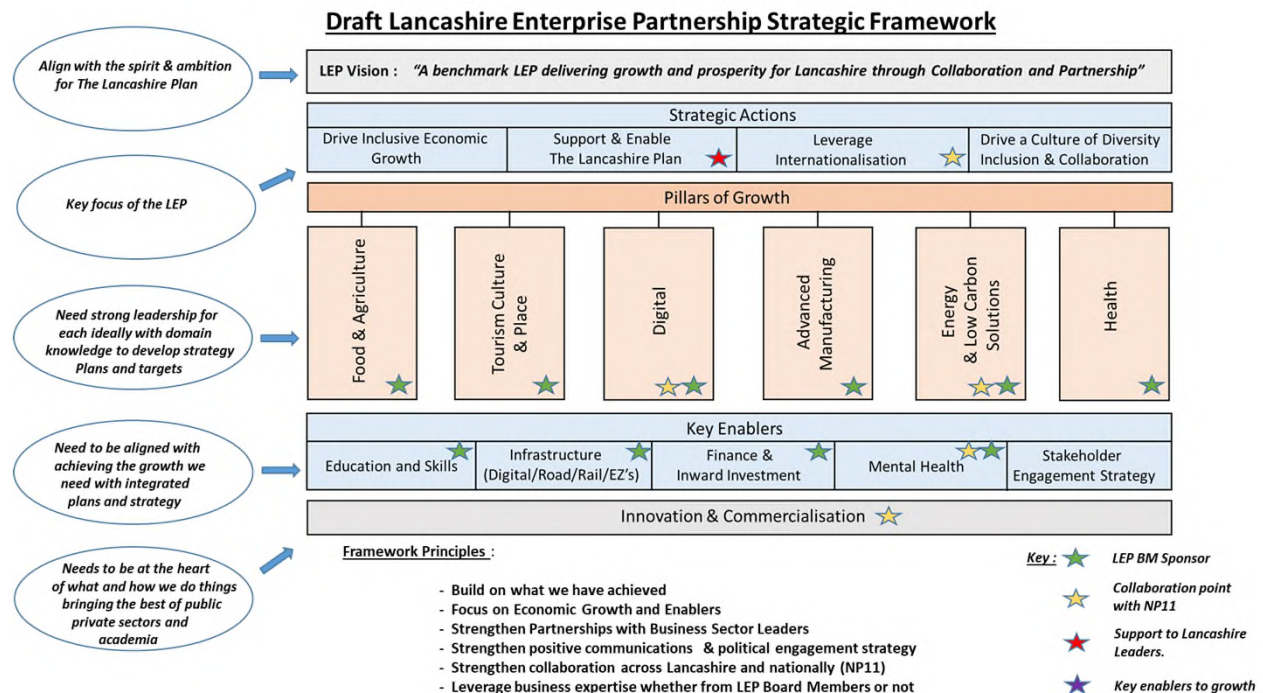
Proposition 4 – Develop a Response Programme



Develop a response programme which responds to the differential needs of our economy and workers, which a clear focus on business growth, job creation, skills and employment

As Lancashire's Strategic Economic Plan approaches the end of its programme life in 2020, working together with Lancashire Leaders, MPs, businesses and partners, the Lancashire Enterprise Partnership Board have agreed a new partnership framework to deliver growth and prosperity for Lancashire, through collaboration and partnership. The business-led sector groups will work together to produce a delivery plan which supports and enables the Greater Lancashire Plan, drives inclusive economic growth, leverages internationalism and drives a culture of diversity and collaboration. The impact of Covid-19, only serves to inject a sense of urgency to develop a plan which spans proposals for economic recovery and a return to a trajectory of growth.

Whilst Lancashire has only just begun its journey toward devolution and has not yet benefited from making local decisions on local investment, nevertheless, the region holds economic potential, which if released, will act as a counter-weight to the negative impacts of recession, not least in areas such as nuclear fuel, low carbon renewable technologies and health innovation.



Next Steps

The Greater Lancashire Plan

As an immediate next step, we are seeking to immediately and urgently engage with Government on those industries, sectors and places theme most severely impacted by Covid-19. This should include a set of measures to arrest the impacts, followed by a more comprehensive response programme across all sectors and places to be set out over the summer as part of our approach to recovery and the current and evolving national Covid-19 response.

More specifically, the Greater Lancashire Plan will seek to build on existing priorities for the region which include:

- Levelling up and further devolution;
- Strategic Economic Framework and Local Industrial strategy;
- Climate change and clean growth opportunities;
- Public Sector Reform which embraces 'best in class' service delivery;
- Reinforcing leadership and building an enticing investment portfolio;
- Building local capability and flexibility to respond to demand across the spectrum;
- Building capacity for market and technology foresight to be 'fit for the future'; and
- Future-proofing Lancashire's infrastructure for net-zero carbon and digital connectivity.

The Independent Panel who have been engaged in the production of the Redefining Lancashire document, will continue to support Lancashire in the preparation of the Greater Lancashire Plan, providing sub-regional and national expertise and insight to help shape and inform its direction. The production of the Greater Lancashire Plan, including preparation of a robust evidence base, will take place during 2020/21. By the end of 2020, this will have been substantially progressed and a final plan will be published in 2021.

Devolution

In June 2020, Lancashire Local Government Leaders signalled collective intent to pursue devolution and the formation of a Combined Authority and Elected Mayor. This demonstrates their intentions for collaboration and joint working to deliver best outcomes for the county and its people, and to implement a bold new vision through the development of the Lancashire Plan.



References/Endnotes

1	Lancashire Insight – Population and Households, Mid -Year Population Estimates https://www.lancashire.gov.uk/lancashire-insight/population-and-households/population/mid-year-population-estimates/	Page 5
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2	ONS - JSA01 Regional Labour Market, JSA for Local and Unitary Authorities https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/datasets/jobseekersallowanceforlocalandunitaryauthoritiesjsa01/current	Page 6
3	Gov.UK - Coronavirus (Covid-19) in the UK - https://coronavirus.data.gov.uk/#category=utlas&map=rate	Page 6
4	Gov.UK - Coronavirus Job Retention Scheme Statistics, June 2020 Data Tables https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-june-2020	Page 6
5	Google Community Mobility Reports – Average % using Blackburn & Darwen, Lancashire and Blackpool data https://www.gstatic.com/covid19/mobility/2020-06-12_GB_Mobility_Report_en-GB.pdf	Page 6
6	https://www.gov.uk/government/publications/coronavirus-grant-funding-local-authority-payments-to-small-and-medium-businesses	Page 8
7	https://www.gov.uk/government/publications/local-authority-test-and-trace-service-support-grant/local-authority-test-and-trace-service-support-grant-allocations	Page 8

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Blackpool Council



Chorley Council



Rossendale BOROUGH COUNCIL



wyre council