



**Company Number: 07388600**

**Lancashire Enterprise Partnership Limited**

**Wednesday, 30th September, 2020 in , at 4.30 pm**

## **Agenda**

### **Part I (Items Publicly Available)**

- 1. Welcome and Apologies for Absence**
- 2. Minutes of the meeting held on 23 June 2020 (Pages 1 - 6)**
- 3. Matters Arising**
- 4. Declaration of Interests**
- 5. LEP - Programmes Update Report (Pages 7 - 44)**
- 6. Report of the LEP Chief Executive (Pages 45 - 56)**
- 7. LEP Financial Update - September 2020 (Pages 57 - 62)**
- 8. Governance and Committees Report (Pages 63 - 72)**
- 9. Any Other Business**
- 10. Date of Next Meeting**

The next LEP Board meeting is scheduled to be held on 8<sup>th</sup> December 2020 at 4:30pm via Zoom.
- 11. Exclusion of the Press and Public**

The Board is asked to consider whether, under Section 100A(4) of the Local Government Act 1972, it considers that the public should be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 12A to the Local Government Act 1972 as indicated against the heading to the item.

**Part II (Items that are Private and Confidential)**

**12. Getting Building Fund (For information)**

Presentations will be provided as follows:

Houndshill Extension Scheme – Nick Gerrard  
Abingdon Street Market – Nick Gerrard  
M55 Transport Scheme – Neil Stevens  
Hillhouse International Scheme – Mark O'Brien  
REDCAT – Miranda Barker

**13. Lancashire Digital Skills Partnership – Lancashire's Digital Skills Landscape Research and extension of the Lancashire Digital Skills Partnership funding (Pages 73 - 82)**



## Lancashire Enterprise Partnership Limited

### Minutes of the Meeting held on Tuesday, 23rd June, 2020 at 4.30 pm as a Zoom Virtual Meeting

#### Present

Steve Fogg (Chairman)

Councillor Stephen Atkinson	Amanda Melton
Miranda Barker	Mick Gornall
Councillor Alyson Barnes	Mark Rawstron
Councillor Simon Blackburn	Councillor Phil Riley
Ann Dean	Khalid Saifullah
County Councillor Geoff Driver CBE	David Taylor
County Councillor Michael Green	Claire Whelan
Dave Holmes	

#### In Attendance

Tony Attard OBE DL, Non-Voting Co-opted Board Member  
Kate Shane, Non-Voting Co-opted Board Member  
Andrew Pettinger, Non-Voting Co-opted Board Member  
Phil Green, Director of Growth, Environment and Planning Economic Development, Lancashire County Council  
Sarah Kemp, Chief Executive Officer, Lancashire Enterprise Partnership  
Michele Lawty-Jones, Director of the Lancashire Skills Hub  
Misbah Mahmood, Senior Democratic Services Officer, Lancashire County Council  
Andy Milroy, Senior Democratic Services Officer, Lancashire County Council  
Murryam Anwar, Area Director, Cities and Local Growth Unit, BEIS  
Katherine O'Connor, Senior Policy Manager, Cities and Local Growth Unit, BEIS  
Anne-Marie Parkinson, Programme Manager, Lancashire Enterprise Partnership  
Angie Ridgwell, Section 151 Officer, Chief Executive and Director of Resources, Lancashire County Council  
Laura Sales, Company Secretary and Director of Corporate Services, Lancashire County Council  
Matt Wright, Lancashire Universities Innovation Manager, Lancashire County Council

#### 1. Welcome and Apologies for Absence

There were no apologies for absence.

#### 2. Minutes of the Board meeting held on 18th December 2019

**Resolved:** The minutes of the Lancashire Enterprise Partnership Board meeting held on 18<sup>th</sup> December 2019 were approved as an accurate record.

### **3. Matters Arising**

None

### **4. Declarations of Interest**

None

### **5. LEP - Programmes Update Report**

Anne-Marie Parkinson, LEP Programme Manager, presented a report (circulated) which provided the Board with an high level updated for each of the LEP programmes including Boost, City Deal, Enterprise Zones, Growing Places, Growth Deal, Lancashire Skills and Employment Hub and Social Value.

**Resolved:** The Lancashire Enterprise Partnership Board

- (i) Noted the updates contained in the report; and
- (ii) Approved of the reporting structure for future reports.

### **6. Skills and Employment Advisory Panel - Department for Education Grant Extension 2020/21**

Michele Lawty-Jones, Director of the Lancashire Skills Hub, presented a report (circulated) regarding progress against the government's requirement for local Skills Advisory Panels (SAPs), and the extension of grants into 2020/21.

**Resolved:** The Lancashire Enterprise Partnership Board agreed to accept the £75k grant being offered by the Department for Education, and approved the allied investment in the Skills and Economic Intelligence Officer, to enable the contract for the post to run until 31<sup>st</sup> March 2021.

### **7. Establishment of LEP Innovation Board**

Matt Wright, Lancashire Universities Innovation Manager, Lancashire County Council presented a report (circulated) regarding the Establishment of a new LEP Committee – The LEP Innovation Board.

The Board considered a request to identify a Chairman and Deputy Chairman for this new Committee, following a period of debate it was agreed that the LEP Chairman would approach Graham Baldwin, Vice Chancellor, UCLAN to become the Chairman of the LEP Innovation Board with it noted that Mr Baldwin was listed as one of the proposed members of the LEP Innovation Board.

In addition, LEP Director Claire Whelan and LEP Co-opted Board Member Tony Attard both volunteered to become members of the LEP Innovation Board.

**Resolved:** The Lancashire Enterprise Partnership Board:

- (i) Approved that the Innovation Board be established as a LEP Committee with immediate effect.
- (ii) Approved the Terms of Reference and the Membership, with the Company Secretary authorised to make any minor amendments to style and formatting and amend the Assurance Framework to incorporate accordingly.
- (iii) Approved that the LEP Chairman approach Graham Baldwin to become the Chairman of the LEP Innovation Board.
- (iv) Approved that LEP Director Claire Whelan and LEP Co-opted Member Tony Attard be appointed as members of the LEP Innovation Board; and
- (v) Authorised the LEP Chairman and LEP Chief Executive Officer to finalise any alterations to the membership of the LEP Innovation Board as appropriate.

## 8. Governance and Committees Report

Andy Milroy, Senior Democratic Services Officer, Lancashire County Council presented a report (circulated) which contained LEP Governance updates and updates from all the LEP Committee meetings since the last LEP Board meeting.

A number of Committee Member changes were presented for approval along with the outcome of the LEP Annual Performance Review with Government.

Following a period of debate, it was proposed that in relation to the LEP Assurance Framework, Committee structures and remit that a Task Group (sub committee) be established to review these areas and make recommendations with suggested changes to the September 2020 LEP Board. It was agreed that the membership of the Task Group would consist of both public and private sector representation as follows: Steve Fogg, Miranda Barker, Khalid Saifullah, Amanda Melton, Councillor Alyson Barnes and Andrew Pettinger.

**Resolved:** The Lancashire Enterprise Partnership Board

- (i) Noted the updates provided in this report in relation to Governance, urgent decisions taken since the last LEP Board meeting and the Committees of the Lancashire Enterprise Partnership as set out.
- (ii) Approved the membership changes to the LEP Committees as set out in the report and approve the attached updated Assurance Framework attached at Appendix 'A' as part of its required annual refresh.

- (iii) Authorised the Company Secretary in consultation with the LEP Chief Executive Officer to make the necessary updates to the LEP Assurance Framework in accordance with these decisions; and
- (iv) Approved that a Task Group be established to review the LEP Assurance Framework and LEP Committee structures with a view to reporting back to the September 2020 LEP Board meeting with recommendations.

**9. Any Other Business**

None

**10. Date of Next Meeting**

It was noted that the next meeting of the Lancashire Enterprise Partnership Board is scheduled to be held on 30th September 2019 at 4:30pm, provisionally the meeting shall be held as a Zoom Virtual Meeting (subject to further guidance changes).

**11. Exclusion of the Press and Public**

At this point the Lancashire Enterprise Partnership Board approved that the meeting move into Part II, Private and Confidential, to consider the remaining agenda items as they contained information defined as confidential or exempt in accordance with the relevant paragraph of Part I to schedule 12A to the Local Government Act 1972 as set out in each report or presentation. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

**12. Eden Project Presentation**

David Harland, Chief Executive, Eden Project, provided a private and confidential presentation regarding Eden Project North, Morecambe.

**Resolved:** The Lancashire Enterprise Partnership Board welcomed the presentation and expressed its continued support for Eden Project North, Morecambe.

**13. LEP Operating Budget**

Sarah Kemp, Chief Executive Officer, Lancashire Enterprise Partnership presented a private and confidential report (circulated) which presented the LEP Operating Budget Outturn position for 2019/20 and a draft LEP Budget for 2020/21 for approval.

Following a period of debate it was requested by the LEP Board that LEP Officers

undertake a review of the company structures and strategic objectives.

**Resolved:** The Lancashire Enterprise Partnership Board

- (i) Noted the 2019/20 outturn as summarised in this report; and
- (ii) Approved the planned expenditure for 2020/21 as summarised in the report presented, based on the income to be received plus the use of reserves.

**14. Expansion of the Lancashire Careers Hub**

Michele Lawty-Jones presented a private and confidential report (circulated) regarding the expansion of the Lancashire Careers Hub.

**Resolved:** The Lancashire Enterprise Partnership Board noted the options submitted to the CEC, and endorsed the roll out of the Careers Hub across the whole of the Lancashire area (Option 3) and the match funding contribution of £25k.

**15. Private and Confidential Programme Report - Appendices C, D, E and F**

The Board noted these private and confidential appendices which were part of Item 5.







## Lancashire Enterprise Partnership Limited

**Private and Confidential: NO**

**Date:** Wednesday, 30 September 2020

**LEP - Programmes Update Report**  
(Appendices 'A' to 'L' refer)

**Report Author:** Anne-Mare Parkinson, [anne-marie.parkinson@lancashirelep.co.uk](mailto:anne-marie.parkinson@lancashirelep.co.uk)

### Executive Summary

This report provides the Lancashire Enterprise Partnership (LEP) Board with high level updates for each of the LEP programmes.

### Recommendation

The Lancashire Enterprise Partnership (LEP) is asked to:

- (i) Note the updates contained in this report;
- (ii) Note the forthcoming decisions; and
- (iii) Provide feedback in terms of changes / additional content for future reports.

### Background and Advice

The purpose of this report is to provide Members of the Board with a single high-level programme report, including an update on each of the LEP programmes, with the aim to:

- Provide regular and consistent updates across all programmes, which can be used when Members are promoting / engaging / conducting LEP business.
- Recognise, appreciate and explore the synergies / linkages between programmes to allow a more holistic delivery model.
- Allow members to make individual programme decisions in the context of the complete portfolio of Programmes.
- Assurance of the Performance of individual programmes for which the LEP is accountable to government for.
- Identify any programme risks and agree remedial actions.

### Programme Reports

Please find attached at Appendices A–K updates for each of the LEP programmes as detailed below:

- Boost
- City Deal
- Enterprise Zones X 4
- Getting Building Fund



- Growing Places
- Growth Deal
- Lancashire Skills and Employment Hub
- Social Value

### **Performance**

At the last meeting of LEP Board, Members provided feedback in terms of the content of future reports in respect to the following two areas:

#### Dash Board / Infographics

Members requested that the Programme Manger explore the potential to develop a combined programmes single dashboard of key performance metrics. Work around the development of this is ongoing, a verbal update will be provided to the meeting.

#### Key Performance Indicators (KPIs)

Members requested that the individual programme reports, where applicable contain KPIs – which could contain a RAG to highlight performance. This has been completed on relevant reports, as appended to this report.

In terms of establishing a clear set of LEP KPIs, please find attached at Appendix L a document that contains core KPIs currently reported to funding bodies and stakeholders by LEP programmes. The draft document is to start the process and discussion for the identification of LEP KPIs, which would reflect the ambitions of the LEP, going beyond purely programme KPIs. Members are asking to consider and comment on the contents.

Following finalisation of the LEP KPI document, a review of each programme will take place to ensure all programmes, where appropriate, are collecting 'LEP' KPI data, as opposed to simply collecting data relevant to the programmes principle funding body.

#### Actuals – as reported September 2020

The table below contains the combined core KPIs for the LEP programmes as sourced from the individual reports (Appendices A-K). Please note it is expected actuals will increase, upon completion of the KPI review as discussed above.

<b>Key Performance Indicator - Programmes Combined</b>	<b>Actuals</b>
Capital Funding Invested £m	£179.60
Private Sector Investment £m	£146
Other Investment £m	£261
Housing Units	6720
Jobs Created / Jobs Safeguarded / Apprentices	24,954
Commercial Floor space enabled, constructed or refurbished (sqm)	337,247
New or Resurfaced Road (km)	5
New or improved cycle ways (km)	19.75
New or Improved Training learning facility (sqm)	42371
Additional Leaners leading to qualification (up to L4)	10370



Enterprises or Businesses receiving support 12hr + (SME)	3732
Specialist Equipment	19
New products to Market	40

### Baselines

In terms of developing the reporting further, the aim is to establish 'baselines' and 'targets' for all appropriate programmes. The provision of this information will provide Members of the Board with the information to establish performance when considering on-going investment decisions.

### **Risk**

Risks associated with each LEP programme have been included in the individual programme update reports. A Single Portfolio Risk Register for the combined programmes will be created, with RAG ratings, which will allow the highest risk programmes to be identified and discussed.

### **Summary of Decisions Expected**

The table below contains the expected decisions from programmes to be presented to the LEP Board either at the next Board meeting (8<sup>th</sup> December), or via written procedure before the next meeting.

<b>Programme</b>	<b>Decisions expected at LEP Board 8<sup>th</sup> Dec 20</b>	<b>Decisions expected via written procedure</b>
Growth Deal		Approval of Qtr. 1 & 2 reporting
Getting Building Fund		Potential funding recommendations of up to 10 projects
Growing Places	Funding criteria approval	



## Appendix 'A'

### Boost – Lancashire Business Growth Hub – Lead Andrew Leeming

#### BACKGROUND

Boost is Lancashire's Business Growth Hub established in 2013. By 2018 (the end of the second European funding project) the project had engaged with over 5,800 businesses, created 2,200 new jobs and generated over £60m GVA for the Lancashire economy. Boost 1 European Regional Development Fund (ERDF) project ran from 2013-15 and Boost 2 ERDF project from 2016-18.

Boost 3 has a total project value of £6.083m to be defrayed from 1st January 2019 to 30th December 2021. The total project budget is part ERDF funded (60%, £3.65m) and public match from Lancashire County Council (40%, £2.43m). In addition to the ERDF funded activity, BEIS provides c. £328k per annum to fund complementary activities to support the Growth Hub and for non-ERDF eligible activities.

Our #BoostYourRecovery campaign was launched in June 2020 to help Lancashire enterprises reset and plan their return from lockdown. Our #AskForHelp campaign, launched on day one of the lockdown has already assisted more than 5000 Lancashire businesses.

As mentioned in the Covid19 Impact Survey sent to BEIS on the 4th of May, there has been an increased demand for business support via the Lancashire Growth Hub (Boost) since the Covid-19 pandemic started. A comparison of the months March and April in 2019 and 2020 shows that during the crisis period 1104 interactions were Covid19 related queries out of a total of 1494 interactions (74%). The Growth Hub has recently dealt with 3-4 times its usual capacity for business support.

The main objectives of Boost are to:-

- (a) connect businesses to the best support available from the private and public sectors,
- (b) carry on building its reach, and
- (c) simplify the business support landscape

#### PERFORMANCE

Boost has 5 core programmes of business support and collaboratively works with 34 other associate business support agencies in Lancashire as the Accountable Body for the Ministry for Housing, Communities and Local Government (**MHCLG**) and the Department for Business, Energy and Industrial Strategy (BEIS). Boost has been a central instrument in enabling sustainable private sector-led growth and job creation in Lancashire.

#### **Programme Milestones**

<b>Milestone</b>	<b>Start Date</b>	<b>Completion Date</b>
LCC Cabinet Approval for match funding	July 2018	September 2018
Boost 3 Procurement	July – December 2018	January 2019
Boost 3 Core Delivery Commences	January 2019	December 2021
Project Delivery (Business Support)	January 2019	September 2021
Mid Term Evaluation *	March 2020	July 2020

Final Evaluation	October 2021	December 2021
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\* The Mid Term Evaluation is now complete with the findings due to be presented to the LEPs Business Support Management Board at its meeting on the 29<sup>th</sup> October 2020.

### Key Performance Indicators - as at 30<sup>th</sup> June 2020

The table below contains the core outputs as specified within the contracts with service providers and Managing Authorities (MHCLG & BEIS) – for Boost 3 only.

The combined C8 (Jobs Created) for Boost 1,2 &3 = 2781.

The combined C1 (Enterprise supported) for Boost 1,2 & 3 = 3135.

KPI	Target	Achieved	Comments	RAG
Programme Expenditure	£2,770,086.67	£2,793,784.91.		
New to Boost (NTB) businesses: reach out and engage with enterprises who have not accessed publicly funded support previously.	625	2771 443%	We have already achieved 221% of our overall programme target and continue to proactively engage with Lancashire businesses who have not accessed publicly funded support previously. 84.61% of Diagnosis of Need were 'New to Boost' as of 30 <sup>th</sup> June 2020.	
(P13) Number of enterprises receiving information, diagnostic and brokerage support.	705	701 99.43%	Our #AskForHelp campaign, launched on day one of the lockdown has already assisted more than 5000 Lancashire businesses.	
(C5) Number of new enterprises supported.	135	127 94.07%	Please note that C5 is one of the primary indicator for MHCLG. Stats cover the lockdown period.	
Boost referrals to wider business support agencies.	375	1225 326%	One of the core objectives of Boost is to connect businesses to the best support available from the private and public sectors.	
(P11) Number of potential entrepreneurs assisted to be enterprise ready.	181*	176 97.23%	*As per Growth Support Programme October 2019 profile submitted to LCC	
(C1) Number of enterprises receiving support (12 Hours or more).	660	501 75.9%	Client engagement has been difficult during the lockdown period. Underperformance of the Growth Support Programme. All programmes have healthy pipelines for Aug & September. The month of April saw an "unprecedented collapse" in business activity across the North West amid continued	

			Covid-19 disruption, the latest <u>NatWest</u> PMI has shown. The latest NatWest Regional PMI report, which tracks changes in the goods and services sector, showed that employment in the region fell at the fastest rate on record, with a squeeze on export opportunities resulting in a sharp drop in demand for goods and services.	
(C8) Employment increase in supported enterprises.	440	567.51 128.98%	This is in spite of the fact that according the latest NatWest Regional PMI report, which tracks changes in the goods and services sector, showed that employment in the region fell at the fastest rate on record, with a squeeze on export opportunities resulting in a sharp drop in demand for goods and services.	
(C28) Number of enterprises supported to introduce new to the market products.	40	06 15%	This is one of the most complex and difficult target for all ERDF programmes. Core service providers are collaborating with other business support agencies.	
(C29) Number of enterprises supported to introduce new to the firm products.	35	12 34.29%	This is one of the most complex and difficult target for all ERDF programmes. Core service providers are collaborating with other business support agencies.	
Unique website visits (since Jan 1 2019, includes Startup Lancashire).	7500	8,205 109.4%		
GDPR Compliant database growth (1,500 to 4,500).	1,500	1,637 109.13%		
Grow Twitter community (6,500 to 9,000).	1,250	1,312 104.96%		
4 Subject / Thematic campaigns per annum.	6	6 100%		

Currently the table above identifies the programme will exceed most of its core targets, and that is, in spite of the impact of COVID-19 on Lancashire's business community. The Growth Hub's core service providers are confident that output forecasts will **NOT** reduce as a consequence of the impact of COVID-19 on project delivery, and the change to the economic climate. Boost's main delivery organisations and programme management team are putting the extra spade work required to make this happen. Boost's programme management team

will continue to liaise closely with service providers, funding authorities and associated business support agencies to establish a clearer picture over the coming months. A project change request application will be sent to MHCLG in Quarter 4, 2020. In terms of the two KPIs which have a red RAG rating, these relate to Boost innovation promotion targets. Evidence has just started to be collected for these activities, which when received, performance is expected to improve.

## RISKS / MATTERS OF CONSIDERATION

Risk	Mitigation / Action
<p>The ongoing risk is the potential impact on contracted outputs and expenditure as a result of disruption caused by the Covid19 outbreak. The PMT will continue to liaise with MHCLG regarding freedoms and flexibilities.</p> <p>Worries also remain over outputs, flexibilities and EU exit impact.</p>	<p>The PMT will continue to liaise with MHCLG regarding freedoms and flexibilities.</p>
<p>Programme Performance reduced as a consequence of COVID-19</p>	<p>Close review of the entire programme is being done via <b>contract review meetings</b> complimented by <b>weekly performance updates</b> and <b>stand up meetings</b> thrice a week. Both core delivery partners and key stakeholders, associate project leads are attending Boost stand up meetings, helping in wider collaboration and symbiotic relationships.</p>



## Appendix 'B'

### Preston, South Ribble and Lancashire City Deal – Lead Contact Sarah Parry

#### **Background**

The £450m Preston, South Ribble and Lancashire City Deal was agreed with HM Government in 2013 and is a 10 year infrastructure delivery programme, driving forward local growth by enabling the City Deal area to maximise the area's economic assets and opportunities. City Deal partners include; Lancashire Enterprise Partnership, Central Government, Lancashire County Council, Preston City Council, South Ribble Borough Council and Homes England. The City Deal is intended to generate; more than 20,000 net new private sector jobs, including 5,000 in the Lancashire Enterprise Zone; nearly £1 billion GVA; 17,420 new homes; and £2.3 billion in leveraged commercial investment.

#### **Performance**

##### Programme Milestones

- Planning Application for A582 Widening Scheme submitted in February 2020
- DfT approval for the A582 Widening Scheme to progress to the next stage of development under the Major Road Network (MRN) and Large Local Majors (LLM) Programme – Outline Business Case now in preparation to apply for £50m of MRN funding.
- Planning Application for The Lanes Development (formerly known as Pickerings Farm) submitted.
- Penwortham Bypass Complete and conditional corridor works underway
- Harris Quarter Cinema Scheme – former indoor market and car park demolished leaving a ready to go development site.
- £40m of Transforming Cities Funding Awarded to support a range of public transport schemes in Preston, including the new Cottam Parkway Railway Station.
- Eastcliff – Planning consented for new Eastcliff Hotel Scheme and new bridge connecting Avenham and Miller Parks with Preston Train Station now complete.
- Preston Western Distributor – construction on site, progressing well, currently forecasting a 7-10 day delay to completion.
- Housing Completions – 5500 completions and 14000 consents by January 2020 (cumulative since start of programme).

##### Key Performance Indicators – as at 30<sup>th</sup> September 2019

	<b>KPI / Metrics</b>	<b>Actuals</b>	<b>Target</b>	<b>RAG</b>
1	Total number of Housing units completed	5474	17,420	
2	Number of Housing units - Planning Consented	13,966 (11,144 on City Deal sites)	17,420	
3	Commercial floorspace completed (sqm)	78,511	441,657	
4	Jobs created or safeguarded (includes jobs associated; with new commercial floorspace, to capital investment, with lettings at existing premises and jobs created through BOOST.	15,268	20,000	
5	Public Sector Investment (£m)	£109	£342	

6	Private Sector investment (£m)	£21	£82	
7	Construction of Broughton Bypass	Complete	-	
8	Construction of Preston Western Distributor	Under Construction	-	
9	Construction of Penwortham Bypass	Complete	-	
10	Widening of A582 South Ribble Western Distributor	At planning, design and land assembly stage - Junctions complete. Widening of phase 1 - Golden Way section complete.	-	

Please note: The KPIs represent the latest figures available (30 Sept 2019). This is as a result of District planning officers unable to undertake site visits to obtain the data due to the impact of Covid 19 (site visits reduced or restricted combined with officers redeployed to other essential duties). Ordinarily these KPIs are updated 6 monthly, in line with Government monitoring requirements.

### ***Outstanding Issues***

City Deal Review – Agreement on revised Terms for the City Deal has not yet been reached. Detailed proposals paper taken to CD Executive in December 2019, following which Preston City Council and South Ribble Council secured in principle approval (subject to Local Plan Review) in January 2020 to increase the number of new homes and related income into the programme. However, significant concerns remain in relation to changes in national income streams i.e. New Homes Bonus and until such time as this has been addressed with Government, the Executive Board has put in place a pause on all non-committed spend in the programme. Only schemes where there is a contractual, health and safety or planning obligation to fulfil, are exempt from that pause on spend.

At its meeting in July, the Board reviewed the actual current financial position and weighing up the risks of withholding further funding agreed to fund 1) the local contribution towards the New Cottam Parkway Railway Station (£1.6m), 2) work to progress the A582 Dualling Scheme to Outline Business Case Stage (£1.5m) and 3) urgent bus stop reinstatement and pavement repair works in Bamber Bridge, to ensure it was DDA compliant.

Significant funding commitments will be required in the Autumn to keep the programme on track and not lose the prospect of securing £50m of MRN funding for the A582. The partners agreed to meet urgently following the Board meeting to discuss funding options that the CEO's had collectively discussed in July. This joint meeting is now taking place in September.

LCC has also progressed discussions with MHCLG regarding changes to NHB and these discussions are now being taken forward at ministerial level.

The anticipated Homes England Small Sites Fund was withdrawn in February 2020, which the partners had spent many months preparing a bid, due to it holding the potential to secure £25-50m of funding. Pre-Covid indications were that a more strategic, flexible single pot fund; the Strategic Housing Infrastructure Fund would be launched some time in 2020, but it is understood that this has been put on hold at this point due to Covid 19, and will now be announced in the Autumn Budget.

## **Risks**

Risks to the programme as a result of Covid 19 are potentially significant.

<b>Risk</b>	<b>Mitigation / Action</b>
Impact on core outputs (reduction in housing outputs and jobs as a result of Covid 19)	Core outputs in this programme relate to housing and jobs, which are likely to be hugely impacted by a downturn in the housing and employment markets. It is too early to provide revised forecasts at this stage, but further work will be undertaken in the coming months to understand the level of risk. In the meantime, consideration is being given as to what support/opportunities there might be for the City Deal as part of a Covid 19 recovery plan.
Programme Performance reduced as a consequence of COVID-19	Close review of programme to assess impact and identify solutions agreeable by all stakeholders
Project Delivery Delayed	Financial solutions to be agreed, close monitoring, change control where required.
Changes to the planning system arising from recently published planning white paper could impact on income into the deal from CIL and S106 payments.	The proposed nationally set housing targets will challenge the accelerated delivery targets set as part of City Deal and the national infrastructure levy which will replace CIL and S.106 payments will also be set nationally and be payable on occupation as opposed to start on site/build out rates, which will load further financial risk into the programme. A City Deal response to the consultation will be prepared and submitted by the closing date of 29 <sup>th</sup> October.



## Appendix 'C'

### **BLACKPOOL AIRPORT ENTERPRISE ZONE – Lead Rob Green**

#### **Background**

In April 2016 the Government awarded Enterprise Zone status to the Blackpool Airport site which includes Blackpool International Airport and the surrounding business parks. Blackpool Airport EZ has benefited from public sector investment including acquisition of Blackpool Airport, phase 1 infrastructure works; fencing taxiway removal and drainage. Eight new private sector developments have been completed totalling 186,517 sq ft, including Blackpool & The Fylde College's Lancashire Energy HQ, a 32,000 sq ft flagship training centre for technical and professional education for the energy sector.

Blackpool Council (EZ accountable body) has approved up to £28.8m funding by prudential borrowing for development of Phase 1 Common Edge infrastructure. Phase 1 planning application has been approved with commencement of 12 no grass sports pitches underway. Planning is secured for a speculative development 40,000 sq ft, supported by £800,000 Growth Deal Funding (subject to formal agreement) due to commence delivery September 2020.

<b>Key Performance Indicators</b>	<b>Targets</b> (over 25 year life time of EZ to 2041)	<b>Actuals to Qtr. 4 19/20</b>	<b>RAG</b>
Build, convert or re-purpose potential employment space	260,000 sqm	14,550.10 sqm	
Attract Private Sector Investment	£300m	c.£21.69m	
Jobs created	5,000	1460 (gross)	
New Businesses to the area	140	73	
Develop £x new infrastructure	£70m	£28.8m *	

\*prudentially borrowed for initial costs of new road and infrastructure, £375,000 on infrastructure, £400,000 on property acquisitions.

<b>Milestones</b>	<b>Dates</b>
Grass football pitch contract commenced (£700,000)	June 2020
Detailed design Common Edge Changing room and 3G pitches	Sept 2020
40,000 sqft spec devt start on site	Sept 2020
Aqua Comms landing, connection made on land	Late Sept 2020
Planning submitted for next stage Phase 1 devt	Sept 2020
Private sector new build complete	August 2020
Architectural feasibility study design work for airport complete	Sept 2020
Land / property acquisitions x 2	Q3 2021
20mw gas fired generator planning granted	Sept 2020
Appoint international marketing agents LAMEC brand	Jan 2021
Fiscal benefit extension proposal to HM Treasury	Sept 2020
Revised masterplan/Delivery Plan to be considered by Accountable body	Sept 2020

<b>Risk and Issues</b>	<b>Mitigation and Actions</b>
Slight delays to construction due to Covid-19 working restrictions	Safety guidelines in place and work continuing. Progressing fiscal benefits extension proposals to government
After short period of uncertainty, property enquiries are returning but overall lack of market demand due to Covid-19/Brexit uncertainty and the commercial viability of development.	Clear marketing strategy defined and implementation underway
The airport has experienced a negative impact of Covid-19 however impact not as greatly felt as other larger regional airports and has remained open (observing restrictions) throughout pandemic.	Refresh of marketing plan, website and social media. Progressing architect's designs for new hangarage and remodelling for new commercial opportunities.



**Appendix 'D'**  
**Hillhouse Technology Enterprise Zone – Lead Rob Green**

**Background**

In April 2016 the Government awarded Enterprise Zone status to Hillhouse Technology Enterprise Zone. Hillhouse EZ has benefited from private sector investment including a gas fired generator station Burn Naze IE, 30,000 sq ft extension at Addisons Projects, Victrex’s 20,000 sq ft R&D plant and completion of AGC CE’s thermal oxidiser. Victrex received circa £1.4m Regional Growth Fund toward the R&D pilot plant which is the only significant public sector investment to date.

Key Performance Indicators	Targets to 2026	Actuals to Qtr 4 19/20	RAG
Floorspace delivered	13,000 sqm	c.4,600	
Retained Business Rates	£4.3m	-	
Jobs	137	58	
Land Sales	£1.5m	-	

Milestones	Dates
Vinnolit exit from site complete – demolition and site clearance to commence	Oct 2020
Forsa Energy completion of build	
Appointment of joint international marketing agent LAMEC brand	Jan 2021
Fiscal benefit extension proposal to HM Treasury	Sept 2020
Revised Delivery Plan	Sept 2020
60,000 sq ft speculative development of small multi-use units planning submitted	Q3 2020
LFFN (Local Full Fibre Network roll out) to site boundary	complete
Subsequent roll out of fibre ducting on site	Dec 2021
Water main upgrade	Dec 2021

Risk and Issues	Mitigation & Actions
Delays to construction of the Forsa Energy site due to Covid-19 restrictions	Quick liaison with landowners ensured work has now recommenced according to safety guidelines.
Lack of market demand due to Covid-19/Brexit uncertainty and the commercial viability of development with existing scheme such as Energy from waste/Biomass plant which are in development being cancelled or postponed long term.	Allocated government Getting Building funding to help kick start essential infrastructure to better market the site to potential occupiers and stimulate private investment
Continuing delays in securing planning and highway approvals and potential land contamination issues that need to be overcome.	Close liaison with NPL, Wyre (accountable body) and LCC
Requirement for flood mitigation measures and utility upgrades across the site and issues surrounding the ability construct western access road over Fleetwood-Poulton railway line.	Close liaison with NPL, Wyre (accountable body) and LCC
Failure to secure purchase or rights over the Fleetwood rail line will impact upon ability to construct Northern Access road.	Close liaison with NPL, Wyre (accountable body) and LCC





**Appendix 'E'**  
**LEP – Sarncliffe EZ – Lead Chris Dyson**

**Background**

In April 2012, the Government awarded Enterprise Zone status to the Lancashire Enterprise Zone Sarncliffe Aerospace (SAEZ) and Warton Aerospace Enterprise Zone Sites. The SAEZ has benefitted from circa £54m public and private sector investment to date: including £12.213m infrastructure works invested as part of an overall infrastructure investment package of £28.8m (public highway, drainage, access, AMRC plot works) and £42m by BAE developing three facilities, Academy for Skills & Knowledge and Wincanton Defence & Logistics Centre and the Asset Management Facility. The County Council is working with the University of Sheffield to facilitate the delivery of the North West Advanced Manufacturing Research Centre (AMRC), which has received £20m Growth Deal to deliver circa 4,500sqm of research and development floor-space.

The County Council has completed the plot works, and the access road works and legal agreements are close to completion to facilitate AMRC access in late September. In April 2019 BAE commenced development of a circa £12m, 15,794sqm Asset Management Facility (AMF) which is due for completion by circa October 2020. Drainage & Earthworks Strategy (to inform site construction works later in the autumn/winter), and a Commercial Development Framework has been commissioned to inform future development and marketing. This will also assist in KPI management going forward.

Two claims have been made to date to draw down Growth Deal funding to the value of over £0.86m to facilitate site wide infrastructure provision. Orders have been placed for site-wide utilities, and progress is being maintained on delivering the power supply, the major barrier to development. The main gas main is currently on site being constructed and will service the entire site. The County Council has entered into a Collaboration Agreement with Electricity North West (ENWL) in respect of the provision of electricity to the site and ENWL has conducted route proving, off and on site surveys for the new primary sub station, planning approvals are in place and a comprehensive programme of works will be initiated in October/November 2020.

<b>KPI Performance</b>	<b>Targets</b> (Growth Deal period to 2029/30)	<b>Actuals</b> (to Qtr 1 20/21)	<b>RAG</b>
New commercial floorspace	125,352 sq m	22,400 sq m*	
New jobs created	2,528	200*	
Utility construction project complete	5	0	
Public Sector Investment (site-wide infrastructure)	£28.8m	£12.213m**	
Private Sector Investment (BAE £42m & Utility £7m)	£49m	£42m	

\* Additional to Growth Deal target

\*\* Includes Prudential borrowing for initial costs of new road and infrastructure

<b>Key Performance Indicators</b>	<b>Description</b>	<b>Status</b>
New commercial floorspace	Manufacturing, light industrial HQ office and R & D space.	DLC, ASK in occupation (15,000 sqm, 7,400 sq m) completed.
New jobs created	Linked to commercial floorspace.	ASK (30) DLC (170) completed.
Private sector utility investment	ENWL investment.	Legals/programme in place.
Utility construction projects complete	Electricity, water, gas, foul/waste, telecoms.	Orders placed/Mobilisation ongoing.
Develop site-wide infrastructure	Spine Road & Site-Wide Utilities.	Spine Road, drainage phase 1, on site/off site ecological mitigation completed. Growth Deal programme started.



<b>Milestone</b>	<b>Dates</b>
Primary sub-station design	May 2020
Primary sub-station planning approval	July 2020
Gas main construction commenced	August 2020
Commercial Development Framework commissioned	August 2020
Drainage & Earthworks Strategy commissioned	August 2020
LCC AMRC Landlord Works complete	September 2020
Utilities orders placed	September 2020
AMRC Construction (Robertson)	October 2020
Updated Marketing Strategy & progression of enquiries	October 2020
AMF Completion	October/November 2020
Earthworks & Drainage site works complete	February 2021
Plots full serviced (excluding power)	February 2021
Primary sub-station connection	September 2022
Site wide utility infrastructure operational	September 2022
Delivery of enquiries (conducted in parallel to infrastructure delivery)	February 2021 onwards

<b>Opportunities, Risk and Issues</b>	<b>Mitigation and Actions</b>
AMRC plot - slight delays due to Covid-19 working restrictions. Because of Covid-19 delays, the programme assumes construction site activity over the winter period, which may cause some weather-related delays/potential additional costs.	Safety guidelines in place and work continuing.
Growth Deal Site Wide Programme – due to Covid-19 delays, the programme assumes construction site activity over the winter period, which may cause some weather-related delays and potential additional costs. Utilities providers are engaged but there remains potential for some future delays due to a requirement for safe Covid-19 working practices and in the event of any local lockdowns.	Safety guidelines in place and work continuing. Significant staff and consultant resource working to initiate programme as soon as practicable. Ongoing contact with utility providers and strong strategic engagement.
Commercial Market - after short period of uncertainty, property enquiries are returning but the risk remains of an overall lack of market demand due to Covid-19/Brexit uncertainty and the commercial viability of development.	Clear marketing strategy defined and implementation underway. The certainty of programme has assisted in ongoing occupier interest in the site with enquiries being explored and progressed in parallel with work programme.
ENWL Primary Substation – Installation delays	Programme not been affected by COVID-19 and the ENWL primary substation programme is still on track.

## Appendix 'F'

### LEP – Warton Aviation Enterprise Zone – Lead Chris Dyson

#### Background

In April 2012 the Government awarded Enterprise Zone status to the Lancashire Enterprise Zone which included the Samlesbury Aerospace and Warton Aviation Enterprise Zone Sites (WAEZ).

The WAEZ has a masterplan and a ten-year Local Development Order in place for the site. The Enterprise Zone has two companies, Accenture and Trescal who have been in occupation at the site since 2015.

Senior officers from the county council and BAE are continuing to discuss opportunities at WAEZ to build and complement on the current high value activity at SAEZ to support the development of Lancashire's Local Industrial Strategy.

In April 2020 as part of an emergency response to coronavirus pandemic, the county council in partnership with BAE constructed a temporary Central Resilience Facility to aid with managing any potential excess deaths due to the virus.

The facility was built in an eight-day period and was ready to be operational if required. As death rates decreased from earlier projections the facility was mothballed in May 2020 and is now in the process of being decommissioned (to be completed by the 13 September) by the county council working closely with partners BAE systems.

#### KPIs and Milestones

Business	Trescal	Accenture
Operational Date	2015	2015
Circa Jobs	6	1 permanent officer and up to 12 officers a week use as hot desk
Area m2	Existing BAE accommodation	Existing BAE accommodation
Circa Investment	Existing BAE accommodation	Existing BAE accommodation

#### Risk and Issues

Opportunities, Risk and Issues	Mitigation and Actions
Partner's concerted focus has been upon the Samlesbury Aerospace Enterprise Zone, which is segregated from BAE's Operational site.	Senior officers from the county council and BAE are continuing to discuss opportunities at WAEZ to build and complement on the current high value activity at SAEZ.
The Warton Aviation EZ is located within the BAE Warton operational site and as such currently restricts potential occupants with a requirement to be within existing BAE supply chain.	Whilst strategic discussions have been initiated, there is a requirement to consider the longer term potential and opportunity at Warton through further dialogue between partners.



## **Appendix 'G'**

### **LEP – Growth Deal Programme – Lead Anne-Marie Parkinson**

#### ***Background***

The Getting Building Fund is a £900 million government programme to deliver jobs, skills and infrastructure across the country. This investment is targeted in areas facing the biggest economic challenges as a result of the pandemic. It is supporting the delivery of shovel-ready infrastructure projects, agreed with Mayoral Combined Authorities and Local Enterprise Partnerships to boost economic growth, and fuel local recovery and jobs.

In August 2020, government announced a funding allocation of £34.1m to Lancashire LEP from the Getting Building Fund. Following the announcement government undertook a review of the schemes submitted by the Lancashire LEP, where in agreement with the LEP the £34.1m was allocated to ten projects.

#### ***Governance***

Subject to the contents of the funding offer letter expected from government later this month, the processes to manage the funds allocated to this programme will reflect those in place for the Growth Deal programme. The management of the Growth Deal programme has been highly regarded by CLG, both at the 'Deep Dive' and two previous 'Annual Performance Reviews'. In addition, the processes are fully compliant with the LEP Assurance Framework.

Processes include:

1. Allocation of funds to projects – Agreed by government.
2. Applicant provides to the LEP a project HMT Green Book Five Case Model Business Case.
3. LEP Commission Independent Assurance of the Business Case.
4. Presentation of project to the LEP Board to seek funding approval (subject to positive assurance recommendation).
5. Complete Grant Funding Agreement (same conditions / clauses as Growth Deal).
6. Project applicant submits quarterly reporting / claims to the LEP.
7. Upon completion of the project and all associated outcomes, a Project Exit Report is completed, which formally evaluates and closes the project.

Due to the time constraints of the programme, with projects requiring to commence activity immediately in order to achieve the financial completion date of March 2022, the following two processes have been streamlined, making significant time and cost saving efficiencies.

1. Recommendation of Funding Approval - The recommendation to the LEP Board will be made by the LEP Investment Programme Manager, as opposed to a recommendation by a sub-committee of the LEP. Prior to making a funding decision the LEP Board will receive an introduction to each project, so that members are fully aware of the project detail, and are able to seek clarifications as required. The LEP Board will be fully informed of any associated risks and appropriate mitigation.
2. Independent Assurance – Whilst the independent assurance will consider all five cases within each business case, the focus and findings will be on the 'Economic' and 'Management' Cases, given these are the core criteria for the call (deliverability and VFM). All cases will be scrutinised by LEP Officers as appropriate.

#### ***Performance***

##### **Delivery**

In terms of progress to date:

- All funds are allocated to ten projects
- Nine of the ten project business cases have been submitted to the LEP.
- Independent assurance has been completed on two project business cases.
- Independent assurance has commenced on a further three projects.
- Independent assurance is expected to commence on four further business case during September. The final business case assurance is expected to complete October.
- LEP Board funding approvals are expected to be sought during September and October for all projects – subject to positive assurance recommendations.

### Projected Outputs

The table below contains the combined forecasted outputs, as provided by projects when the projects were submitted to government. These output forecasts will be confirmed upon completion of the Business Case Assurance and contracting (GFA).

<b>Output</b>	<b>Quantity</b>
Jobs Created / Safeguarded	1524
Housing Unit Unlocked or Delivered	995
Commercial floor space (sqm)	88247
Learning space improved or created	396
Number of businesses or institutions assisted	56
KG of CO2 emissions avoided	671071
Public Realm or Green Space created	23480
Number of new super/ultrafast broadband connections	102

### Programme Milestones

<b>Milestone</b>	<b>Date</b>	<b>Comments</b>
Programme funding allocated projects	Aug 20	Complete
Offer letter received	Sep 20	Not yet received
Programme funding contracted to projects	Oct 20	
Communications Milestones Identified	Oct 20	
Social Value embedded within the programme	Oct 20	
Projects achieve practical completion	Mar 22	
Programme contracted targets achieved	TBA	Targets to be agreed with CLG
Evaluation / Case studies collected	Mar 22	

### ***Risks / Matters of consideration***

<b>Risk</b>	<b>Mitigation / Action</b>
Projects do not pass business case or contracting process	Agree with government to consider others in the pipeline submitted.
Programme fails to achieve objectives	Close monitoring and evaluation at quarterly intervals of each project. Reporting to LEP Board re performance. Potential clawback of funds

Project Name & Summary	Start date	PC Date	GBF £m	Match funding £m	Total cost (£m)
<p><b>Houndshill Extension Scheme</b> - As part of its strategy to revitalise the town centre Blackpool Council purchased the Houndshill Shopping Centre (HSC) in Nov 19 for £47.6m, the aim being to support its sustainability and to re-purpose parts of it through the delivery of a transformational leisure and retail development. The mixed use development comprises:</p> <ul style="list-style-type: none"> <li>• 9 Screen Imax Style Cinema- (40,575 sqft)</li> <li>• 2 New Restaurants (3760sq ft)</li> <li>• A relocated Wilko Store (22,500 sq. ft)</li> </ul> <p>The scheme objectives are to create new complementary leisure uses, secure the site for the tramway terminus, provide land value, amenity, transport, and wider benefits, and promote increased investor confidence in the area.</p>	01/09/20	30/11/21	£ 5.000	£ 14.535	£ 19.535
<p><b>Abingdon Street Market Acquisition and Rejuvenation</b> - This project will rejuvenate the visitor experience, growth, and sustainability of the town centre. Abingdon Street indoor market, which has declined significantly in recent years and is currently for sale by its private owner, will have a new and rejuvenated retail and service offer which will address the needs and demands of residents and visitors and provide a modern experience at the heart of the town centre.</p>	01/01/21	30/11/21	£ 3.634	£ -	£ 3.634
<p><b>Alker Lane</b> - The scheme will provide much needed new commercial floorspace comprised of affordable office accommodation and new industrial units. The development will be directed towards scale ups, start-ups and new businesses promoting inward investment into Chorley and will complement the adjacent digital office park which is an incubation hub for digital creative businesses. The development will provide invaluable accommodation and digital connectivity improvements for businesses in the town centre looking to grow. Chorley has an undersupply of such space which has led to a number of companies moving away from town centre to find more suitable accommodation. The retention of this growing agglomeration of local businesses will benefit the Boroughs residents, providing opportunities in skilled employment in a sustainable location.</p>	01/01/21	31/01/22	£ 2.250	£ 6.750	£ 9.000
<p><b>Burnley Town Centre Master Plan - Pioneer Place Retail/Leisure Development</b> - The Project is identified in the Burnley Town Centre and Canalside Masterplan. It will redevelop a brownfield site and address an identified need for; a leisure anchor with the re-location of REEL cinema from its current out of town location, and; a branded food and beverage offer. The existing cinema site will also be re-developed for a food retailer. The scheme will improve town centre vitality and viability with increased footfall and dwell time, underpinning other masterplan objectives. Funding is required for abnormal infrastructure &amp; public realm.</p>	31/07/21	31/03/22	£ 3.681	£ 19.998	£ 23.680
<p><b>RedCAT – Lancashire’s Centre for Alternative Technologies</b></p> <ul style="list-style-type: none"> <li>• Building end to end commercialisation funding and support for low carbon technologies</li> <li>• Identifying the viability of technologies, market, early adopter funders, potential buyers, VC and equity investors and global roll out opportunities</li> <li>• Combining capital support from public, private and VC/Equity sources to enable the initial R&amp;D costs of prototype development, demonstration, first sale product and scale up costs to be supported</li> <li>• Additionally, funding capital costs of Lancashire’s advanced manufacturers to diversify into low carbon component manufacture</li> <li>• Driving the manufacture and adoption of low carbon tech across Lancashire to drive economic green recovery and resilience</li> </ul>	01/08/20	31/01/22	£ 1.500	£ 1.700	£ 3.200
<p><b>AMRC Low Carbon Building Demonstrator project</b> - will demonstrate retrofittable smart building technologies. The demonstrator will showcase technologies within the fabric of the building, providing access for manufacturers to evaluate and consider adoption in their own factory. De-risking the adoption of these technologies in legacy manufacturing facilities will enable manufacturers to reduce the cost of ownership and carbon footprint. In addition to the embedded building technologies the facility would demonstrate low carbon manufacturing methods. The project would work in collaboration with RedCAT and the Clean Energy Technology Park to create a local ecosystem of innovation, developing new low carbon energy technologies.</p>	01/08/20	31/01/22	£ 2.500	£ -	£ 2.500
<p><b>Project Neptune</b> - is the first phase of a transformational mixed use development of Fleetwood Docks. It will pump prime the development and help bring forward the overall site in line with the aspirations for mixed use development in the Local Plan. This first phase includes the development of a modern purpose built Fish Park and the enabling works to bring forward a first phase of serviced land suitable for waterfront residential development with high quality public realm. The Fish Park development will safeguard local jobs and allow new and existing SME businesses to grow.</p>	01/03/21	31/12/21	£ 4.030	£ 3.959	£ 7.989
<p><b>Hillhouse EZ - Electrical, Water and Access Infrastructure</b> - Thornton Facilities Management will commit to deliver additional and improved electrical and water supply infrastructure alongside repositioning of existing gatehouse security to allow access to the new secure business park; Hillhouse International. The project will assist in delivering 200 new jobs to the area as part of the Enterprise Zone project through improved infrastructure for all existing businesses and new occupants of the planned new-build Hillhouse International Business Park.</p>	01/08/20	30/10/21	£ 0.504	£ 0.126	£ 0.630
<p><b>M55 Heyhouses Link Road</b> - The road is needed to satisfy the impacts from the Queensway residential development site and to overcome localised congestion problems on the B5261 which is a key corridor for both Fylde and Blackpool. It provides an alternative corridor to the M55 motorway, as well as access to existing employment areas from Lytham. It is required to enable Fylde Council deliver its local plan. It also satisfies future access needs to the Fylde coast for business (including Blackpool's Enterprise Zone), leisure activities and to+C88urism. The road also includes a parallel sustainable corridor satisfying needs of pedestrians, cyclists and equestrians.</p>	01/04/21	01/11/23	£ 5.790	£ 21.264	£ 27.054
<p><b>Tatton</b> - The scheme will consist of a 63 assisted living units consisting of a mix of a 1-bed and 2-bed units, a new community centre, community café, a GP Surgery and Pharmacy for the NHS, and landscape works to regenerate the existing park and gardens at the Tatton Recreation Ground providing both sporting and civic facilities. There is an identified need for assisted living accommodation and new health facilities in Chorley.</p>	01/01/21	31/01/22	£ 5.210	£ 9.270	£ 14.480
			£ 34.100	£ 77.602	£ 111.702





## Appendix 'H'

### LEP Growing Places – Lead Sue Roberts

#### **Background**

The government provided £19.3m in 2012 for a Growing Places Fund. The fund is for capital developments to unlock stalled sites in Lancashire with an ambition that the fund should become evergreen (a recycling loan fund). The fund has achieved this and moving forward the capital continues to be re-invested in new schemes with the interest becoming part of the income for the LEP.

There are currently eleven schemes in receipt of growing places funds, eight have been developed out and repaid. There are three live schemes, two schemes have been developed out and one is still developing out on three sites but has drawn down their full facility.

The pipeline schemes have been reviewed, one is still active, one has stalled and two are making slow progress. There has been an addition to the pipeline and is linked to an inward investment proposition.

The government has responded to questions regarding flexibilities of the fund. They advised that the money was for loan funding and that it was up to each LEP how they interpreted it. Marketing plans have been developed for the sector groups and will be taken to the groups that have met for consideration and agreement. Once the sector groups have agreed the flexibilities of the Growing Places Fund a paper will come to board regarding new criteria for the Fund to be approved.

#### **Performance**

As this is a loan fund, there are no targets, as such no RAG rating has been applied to the KPIs. However included in the KPIs tables below, are the economic outputs reported by the recipients of the loans.

Whilst development is progressing on three sites no building control sign off has been completed, but there should be housing units and sq.ft. to report to the next board.

#### Key Performance Indicators

<b>KPI</b>	<b>Actuals as at 24/08/20</b>
Private sector investment	£103,136,991
Jobs	2,120
Space developed	207,029 sqm.
Housing Units	640
Original Fund Amount	£19,378,944
Capital Loaned	£30,680,298
Capital Repaid	£22,699,853
Interest Received from loans	£1,696,322
Capital to Invest *	£11,398,499

\*This figure changes which each repayment received.

## Risks

Risk	Mitigation/Action
Covid 19 impacts the viability of the schemes to deliver the returns	Two schemes have requested assistance with repayment of their loans which was approved using the Urgent Business Procedure on 25 August 2020.
The current loans are not repaid	Robust monitoring of schemes as per the terms of their Facility Agreement. Step in rights if loans are not performing Annual accounts from borrowers.
Failure to deliver more loans	Quarterly Performance Reporting. Promoted on LEP website with Expression of Interest form. Marketing campaign to commence, if agreed.
The pipeline of schemes dries up	Promoted on the LEP website. Marketing Campaign to commence if agreed by Board. Any changes to criteria promoted on LEP website and through marketing campaign if agreed.
Failure to achieve strategic impact	Alignment of marketing activity with KPIs of Strategic Framework to be agreed with the Board and priorities of the Local Industrial Strategy and Recovery Plan

## Appendix 'I'

### LEP – Growth Deal Programme – Lead Anne-Marie Parkinson

#### **Background**

The Lancashire Growth Deal is a £320m capital grant programme, delivering 52 projects across Lancashire, aligned with four key priorities, rooted in maximising the area's competitive economic strengths. This Deal is expected to bring to Lancashire's economy; 11,000 jobs, 3,900 homes and attract £1.2bn of private sector investment.

#### **Performance**

Projects - There are currently 52 projects within the programme of which:

- 100% of the funding is allocated to 52 projects
- 100% of the projects (52) have received a LEP funding approval, of which:
  - 94% (48 projects) have completed contracting via a Grant Funding Agreement
  - 92% (47 projects) of projects have commenced their physical works
  - 53% (27 projects) of the projects have completed their physical works
  - 18% (9 projects) of projects have fully completed (contracted spend and outputs)

Key Performance Indicators – as at Qtr. 1 2021/21 (Apr – Jun 20/21)

Key Performance Indicator	Actuals to Q1 20/21	Forecast to Q1 20/21	% Actual v Forecast	Forecast to 20/2021	Forecast to 24/2025	Government 'Deal' Target	RAG
Growth Deal Funding defrayed £m	170.593	170.593	100%	273.93	273.93	273.93	Green
Housing Units	756	1150	66%	3718	8248	3900	Yellow
Jobs Created Jobs Safeguarded Apprentices	3598.97	3020.6	119%	6087.9	16115.2	11000	Green
Commercial floor space constructed or refurbished (sqm)	10156.67	25818.14	39%	89265.89	252786.9	43829	Yellow
Other Investment £m	151.426	140.000	108%	140.000	140.000	140.000	Green
Length of new cycle way (km)	19.75	21.37	92%	26	28.1	0	Green
New or Improved Training Facility	42371	41794	101%	42557	42557	0	Green
Additional Learners leading to qualification (up to L4)	10370	7563.25	137%	9440	10787	0	Green
Specialist equipment	19	12	158%	112	113	0	Green
Enterprises receiving support & Business Assists (SME)	597	782.5	76%	1232	2025	0	Yellow

The table identifies the programme is forecasted to meet or exceed the five government 'deal' targets. In terms of the under underperformance of Qtr. 1 20/21 for three targets, these relate to the projects being unable to provide the reporting due to officers re-deployed on Covid related activities, rather than anticipated under delivery.

There are no concerns at present in terms of meeting the targets or locally agreed forecasts, however it is expected output forecasts will reduce, as a consequence of the impact of COVID-

19. LEP Officers will continue to liaise closely with projects to establish a clearer picture over the coming months.

#### Programme Milestones

<b>Milestone</b>	<b>Date</b>	<b>Comments</b>
Programme funding allocated projects	2016	100% achieved
Programme funding contracted to projects	Ongoing	94% achieved to date
BEIS Annual Performance Review – Delivery Element - minimum of 'Good' rating achieved.	Annually	2019/20 – Good achieved
Communications Milestones Identified	Ongoing	Updated on a quarterly basis
Projects achieve objectives	2021	Currently on target
Achievement of Programme Deal Targets	2025	Currently on target
Social Value embedded within the programme	2016	Each project reports 6 monthly
Programme Evaluation Complete	2021	On schedule

#### ***Risks / Matters of consideration***

<b>Risk</b>	<b>Mitigation / Action</b>
Retaining full funding allocation – Covid-19 Review	Identify financial solutions with affected projects - actions agreed with BEIS. Clear pathway should funding become available (underspend on projects).
Programme Performance reduced as a consequence of COVID-19	Close review of programme Summer / Autumn 20/21 to assess impact and identify solutions agreeable by all stakeholders
Project Delivery Delayed	Financial solutions agreed, close monitoring, change control where required.
Unable to attract future funding opportunities re lack of performance	Clear Strategic Pipeline / Identification of PR Communication Opportunities / MP Engagement / Successful Evaluation / Collation of case studies.
Complete contracting (GFA) for all schemes	Contracting is expected to be completed by the end of September 20 for the remaining four schemes.

## Appendix 'J'

### **Lancashire Skills and Employment Hub – Lead Michelle Lawty-Jones**

A key focus has been the impact of COVID-19 on the business and people of Lancashire. Headlines regarding activity since the last LEP Board are provide below, by the themes of the Lancashire Skills and Employment Strategic Framework:

**Future Workforce:** Preparation for the Careers Hub roll out has been undertaken over the summer. Recruitment with our delivery partner, Inspira has been completed, including 2 Deputy Careers Hub Leaders (internal promotions) and 3 Enterprise Coordinators who will be joining the team on the 7<sup>th</sup> September. A community of practice has been launched for the SEND schools, to prepare for the increase in SEND schools as part of the expansion. Additional funding has also been secured through the Careers and Enterprise Company Transition Fund and the Blackpool Opportunity Area Transition Fund to support the development of the Start platform with U-Explore, to enable the provision of virtual and on-line encounters and experiences with employers, colleges and universities, to adapt to the COVID-19 environment.

The Skills Hub has continued to work with colleges and employers in preparation for the first T Level cohorts in September 2020. Routeway Networks and CPD have continued via zoom, with excellent engagement. The latter includes sessions for careers professionals to enable them to embed technical education routes into careers programmes. The competition for the next round of Institutes of Technology is due to be launched by Department for Education (DfE) in the autumn – two visioning sessions have been held by the Skills Hub with colleges and universities in preparation. It has been agreed that Blackpool and The Fylde College will be the lead partner.

**Skilled and Productive Workforce:** A Lancashire Redundancy Task Force has been established with partners, including DWP/Jobcentre Plus, the National Careers Service and the accountable body of the 'Skills Support for the Workforce' programme, The Growth Company. The taskforce is meeting fortnightly and aims to provide a coordinated approach to communication with businesses affected, and a coordinated package of support. The taskforce is in communication with a range of businesses – the majority being in manufacturing (particularly Aerospace). The challenge of circulating and retaining skills is a key focus for the group, aligning with the work of the Aerospace Task Force.

**Inclusive Workforce:** The [www.skillsforwork.info](http://www.skillsforwork.info) microsite was launched at the end of June. The site was developed in direct response to COVID-19 and brings together skills and employment offers from over 50 partners for Lancashire residents. The site is easy to navigate and has buttons for furloughed workers to enhance their skills and employability, those facing redundancy, people looking for work, and a button for 16-24 year olds to access specialist support. As of 20<sup>th</sup> August, the site had received over 3,000 visits. A communications pack has been produced which enables partners to embed the offer on their website (e.g. Local Authorities, to support their residents). The Hub is employing a Graduate Intern via UCLan to undertake a social media campaign to promote the site. The site will be adapted to include details of the support available announced in the Chancellor's 'Plan for Jobs' (for example, the kickstart scheme) once details are known.

Round 2 of the £3m Fast Track Digital Workforce Fund with the Department for Culture, Media and Sport (DCMS) and Greater Manchester Combined Authority (GMCA) has been completed. Fourteen projects were approved, including 8 focused in Lancashire, which aim to provide intensive digital skills training to enable individuals to move into digital vacancies (from Data Scientists and Cyber Security roles to PHP Developers). This includes projects targeted at females and BAME residents to boost diversity. The Lancashire Digital Skills

Partnership has also secured funds with SELNET and the libraries network from the Lancashire COVID-19 Community Support Fund and The Good Things Foundation to enable the distribution of approximately 400 devices to disadvantaged over 50s. The result of a Big Lottery submission is awaited, which would provide more funds to expand the scheme. A model to enable businesses to donate second hand devices to education providers is also in development.

**Informed Approach:** The Skills and Economic Intelligence Officer has been tracking available data: it is clear that there has been a greater impact on younger people in the workforce, and also in Local Authorities with greater levels of disadvantage. There is also greater impact in certain sectors, including manufacturing, food and accommodation services, and the wider service sector. The Skills Hub is sharing data with partners, and working with them to direct skills and employment provision to areas of need.

Significant work has been undertaken on the refresh of the Lancashire Skills and Employment Strategic Framework, with view to publishing a one year refresh for 2021, taking into account the unique environment resulting from COVID-19 and to enable the framework to be adapted in-line with the development of the LEP's Strategic Economic Framework.

## Appendix 'K'

### LEP - Social Value programme – Lead Martin Hill

Lancashire Enterprise Partnership have successfully embedded Social Value within their key infrastructure investment programmes through the adoption of a LEP wide Social Value Framework. The framework utilises the National Themes Outcomes and Measures to embed social value within the procurement, monitoring and evaluation of projects across the LEP's project and programme portfolio including the Growth Deal, City Deal, Boost business support and Rosebud Business Finance programmes.

#### Social Value Framework

As outlined in the LEP Programme Report of June of this year, the framework utilises indicators drawn from the National Social Value Themes Outcomes and Measures, or TOM's for short, which allows the attribution of financial values for a range of outcomes which are derived from Government Office Green Book unit cost values.

The framework provides target outputs against a number of measures which are informed by the Lancashire Employment and Skills Strategic Framework themes (Future Workforce, Inclusive Workforce and Skilled and Productive Workforce).

#### The Growth Deal Social Value Impact

The impact of the adoption of this approach can be seen at programme and project level. The Growth Deal programme generated a total of £25.9 million of added social value in the last reporting period (2018-19). The table below provides a detailed breakdown of social value delivered across the framework metrics:

#### **Future Workforce**

Metric	To date	Indicative Social Value
Hours volunteered to support learning and education through curriculum links, careers and STEM activity.	524	£72,089.92
Number of work experience placements for 15-18 year olds at Lancashire schools and colleges	207	£30,832.65
Number of undergraduate project placements offered to Lancashire's Universities.	101	£15,043.95
Number of graduate internships for graduates living in Lancashire	22	£19,661.40

#### **Inclusive Workforce**

Metric	To date	Indicative Social Value
Number of local people (FTE) employed on contract through construction phase activity (limited project level data available)	330	£9,490,140
Number of work placements or trails offered to unemployed Lancashire residents.	87	£51,834
Working days committed from business volunteers to mentor NEET ('not in education, employment or training') young people (16-18 year olds).	21	£13,859
Number of employment opportunities offered to Lancashire residents that are unemployed or at a disadvantage.	45	£677,652.75

#### **Skilled and Productive Workforce**

Metric	To date	Indicative Social Value
Number of apprenticeships (16-18 year old and Adults).	601	£5,525,353.60
Commitment to workforce planning and investment in training of employees.	1008	£248,361.12
Investment in leadership skills	212	£1,358,101.68

#### **Wider Community Benefits**

Metric	To date	Indicative Social Value
Community based projects driven by the local communities in which the project is based.	116	£12,017.60
Procurement of local Lancashire based supply chain through the contract (limited project level data available)		£8,411,670.95
Procurement and commissioning of local SMEs and social enterprises / third sector organisations (limited project level data available)		£2,763,315.95

Social value performance are monitored across the Growth Deal projects with reports due to be submitted to the Growth Deal Management Board in the autumn of this year.

### City Deal Social Value

The adoption of the 'The Central Lancashire Employment and Skills Supplementary Planning Document' (SPD) is embedded within a number of projects and developments across the Central Lancashire footprint.

Across the City Deal programme this approach has generated some positive results at individual project level including the recently completed Penwortham Bypass which on completion of the construction phase the project has generated a total of £4,907,525.38 of added social value through local employment, training and procurement activity.

Some of the key achievements delivered by Lancashire County Council and their supply chain partners during the construction phase include:

- 95% local labour utilisation
- 35 Employment opportunities (Full Time Equivalent) provided for local residents as a direct result of contract award with a social value of £1,014,870
- 156 weeks of apprenticeships on the contract at Level 2,3 or 4+ with a social value of £26,214
- 104 weeks of professional development at HND and post graduate level with a social value of £24,518.
- A total of £ £3,797,295.72 was spent with local Lancashire based businesses
- Of which £ £2,422,295.72 was spent with local SME's
- 240 hours of sessions to support employability skills, STEM activity and site visits for local schools and colleges with a social value of £22,627.20
- Raised in excess of £22,000 to support community based projects and charitable causes.

The Skills Hub are currently working with Procure Plus on the CITB's Construction Skills Fund, which provides funding for training for new entrants/returners to the sector, to identify suitable City Deal projects in a position to support this target group.

### Wider LEP Programme Social Value

As previously outlined, the embedding of social value requirements within the service specifications for Boost has also generated some very positive results. In the first year of adoption (2019), the framework has generated £511,503.00 of added social value from a total contract value of £1.58 million. Social value will continue to be monitored as the programme moves forward.

This approach will be adopted for the projects selected for the recently announced 'Getting Building Better Fund' for 'shovel ready' projects. The Lancashire LEP has been allocated £34.1m from the GBF for a wide-ranging package of projects that will deliver a much-needed boost to the local economy. The Skills Hub will be working with these projects as the business cases are developed to scope opportunities for social value to be delivered throughout the works and operational phases of the selected projects with key deliverables set out in the project funding agreements.

The Skills Hub are currently working with Lancashire Digital Skills Partnership and GMCA to ensure that appropriate social value clauses and targets are embedded within the tender and contracting process for the forthcoming round of Digital Fast Track funded by the DFE.

The data included within this report is to 2018/19, with 2019/20 data to be reported December 2020 LEP Board meeting.



## Appendix 'L'

### LANCASHIRE LEP KEY PERFORMANCE INDICATORS – September 2020 (draft)

#### Financial

Private Sector Investment £m	Amount of Private Sector Investment secured to directly deliver the project
Match funding secured to deliver the project £m	Amount of match funding secured to directly deliver the project (excluding PSI)
Capital Investment £m	Amount of Capital Investment
Leveraged Funds £m	Additional private/public/third sector funding or wider investment that is spent in the area as a result of the project

#### Employment

Jobs Created Or Jobs Safeguarded	<p>The total number of newly created and safeguarded permanent full-time (30hrs +) equivalent jobs as a direct result of the intervention.</p> <p>Created and safeguarded jobs exclude those created solely to deliver the intervention (e.g. construction). A job is deemed as permanent if it lasts at least a year.</p>
Construction Jobs	Total number of construction jobs to deliver the project (not construction years).
Apprenticeships	Number of apprenticeship positions created as a direct result of the intervention.

## Housing

Housing Units Completed	<p>The number of completed housing units. Completion defined as housing build ready for sale.</p> <p>Complete refers to physical completion of the individual unit, or, in the case of flats, on physical completion of the block.</p> <p>Housing unit refers to one discrete housing unit (e.g. house, flat, live/work), regardless of size.</p>
Number of new homes with new or improved fibre optic provision	Number of homes with a new or improved fibre optic provision.
<b>City Deal</b> - Homes England sites submitted for planning permission from those identified through City Deal, against planned.	Homes England sites those as set out in the City Deal agreement and subject to work of the Stewardship Board.
<b>City Deal</b> - Homes England sites, from those identified through City Deal, granted planning consent in Year 1 against planned.	Homes England sites those as set out in the City Deal agreement and subject to work of the Stewardship Board.
<b>City Deal</b> - Housing completions and new floorspace completed on Homes England sites.	Homes England sites those as set out in the City Deal agreement and subject to work of the Stewardship Board.
<b>City Deal</b> - Total number of Housing units submitted for planning from identified and agreed Housing Sites.	Housing Sites defined as being those in adopted Local Plans and as agreed in the City Deal.
<b>City Deal</b> - Total number of Housing units granted planning permission.	Outline, full and RM against planned.

<b>City Deal</b> - Number of City Deal Housing Sites at which construction is actively taking place.	On site, construction taking place
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### Transport

Length of Road Resurfaced This Period	Length of road for which maintenance works have been completed this quarter (km).
Length of Newly Built Road this period.	Length of road for which works have been completed and now open for public use (this quarter) (km).
New Cycle Ways	Length of cycle way for which works have been completed and now open for public use (km).

### Skills and Education

Area of new or improved learning/training floorspace (m2)	The amount of "new build" training/learning floorspace constructed. Figures to be provided following completion.
	The amount of training/learning floorspace refurbished to improve building condition and/or fitness for purpose.
Number of New Learners Assisted (in courses leading to a full qualification)	The number of new learners assisted as a direct result of the intervention, in courses leading to a full qualification.

Specialist Capital Equipment	Specialist equipment: Resources specific to a particular sector or industry, and which are required in connection with that sector or industry's production of goods and services. These resources will usually comprise specific mechanical devices, but may include bespoke software, or a combination. Includes resources used to produce goods and services, as well as training resources unique to the industry (e.g. simulators). Does NOT include general equipment, IT infrastructure or resources used for several curriculum areas.
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### Commercial

Commercial Floor Space Completed	The area and class of commercial floor space completed. Floor areas should be measured in accordance with the RICS Code of measuring practice (6th edition) 2007. A building should be classified as completed once it is on the non-domestic rating list (sqm).
Commercial Floor Space Refurbished	The area and class of refurbished commercial floor space. Floor areas should be measured in accordance with the RICS Code of measuring practice (6th edition) 2007 (sqm).
Commercial Broadband Access	For broadband interventions only: number of additional commercial premises that, as a result of intervention, now have the option to access broadband of at least 30mbps (average), where this was not previously the case (this quarter) (sqm).
<b>City Deal</b> - Quantity of Commercial Floorspace from identified and agreed Employment Sites submitted for planning	Employment Sites defined as being those in adopted Local Plans and as agreed in the City Deal against planned

<b>City Deal</b> - Quantity of Commercial Floorspace granted planning permission	(gross internal area in m <sup>2</sup> ) against planned.
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### Flood Risk Prevention

Area of Land with reduced likelihood of flooding as a result of the project (m2)	Area of land with a reduced likelihood of flooding as a result of the project (m2) this quarter
Reduced Flood Risk Homes This Period	Number of homes with a reduced likelihood of flooding as a result of the project this period
Reduced Flood Risk Commercial This Period	Number of commercial units with a reduced likelihood of flooding as a result of the project this period

### Business and Enterprise

Number of enterprises receiving grant support	Number of SMEs receiving grant funding support with the intention of improving performance (i.e. reduce costs, increase turnover/profit, innovation, exporting). To be counted where the support is at least £1,000.
No Number of enterprises receiving financial support other than grants	Number of SMEs receiving funding support in the form of equity or repayable loan instruments with the intention of improving performance (i.e. reduce costs, increase turnover/profit, innovation, exporting). Counted where amount of support is at least £1,000.
Number of enterprises receiving non financial support	Number of SMEs receiving support (inc. advice and training) with the intention of improving performance (i.e. reduce costs, increase turnover/profit, innovation, exporting).

No. of businesses receiving local EZ business rates relief	Number of businesses on Enterprise Zones receiving local EZ business rates relief
Amount of business rate relief received £	Business rates received from occupiers on the Enterprise Zones
No. new products to the market	Number of new products brought to the market



## Lancashire Enterprise Partnership Limited

**Private and Confidential: NO**

**Date:** 30<sup>th</sup> September 2020

### **Report of the LEP Chief Executive**

(Appendix 'A' refers)

**Report Author: Sarah Kemp, Tel: 01772 531885,  
Sarah.Kemp@lancashirelep.co.uk**

#### **Purpose of the Report**

Provide the LEP Board with an overview of activity carried out in the previous period and planned for the following period in respect of Strategy, Accountabilities, Commissioning, Programme

#### **Recommendation:**

LEP Directors are requested to note the contents of the report.

## **Background and Advice**

### **Strategic Framework**

- 1.0 Work is fully underway now to develop the Strategic Framework in a clear Delivery Plan which includes:
  - Review of all current economy-related Strategy, Plans, Policy and Programme to determine strategic fit and identify gaps in the Framework
  - Current gaps identified, include an Internationalisation Strategy, Coast and Rural Plan for Lancashire, review of *finance for business* provision across the County, a refresh of the Skills and Employment Framework and a Stakeholder Engagement Plan
  - Completion of the Local Industrial and Recovery Strategy in a post-Covid world
  - The first element of the Sector Group work – Response to Covid.
- 2.0 The Commissioning of the **Internationalisation Strategy** and mapping of finance for business provision will take place in this forthcoming period. The scope of this work will be shared for LEP Directors' comments shortly.
- 3.0 The **Skills and Employment Framework** Refresh Consultation will be consider by LEP Directors at the Bi-weekly Board Meeting in October.



- 4.0 **Sector Groups** are formed for Manufacturing, Energy and Low Carbon, Tourism Culture and Place and Food and Agriculture. The groups are generally making good progress and where slowed, this is mainly due to holiday period and urgent requirements to attend to own businesses demands in current economic crisis. Energy and Low Carbon will be the first sector group to report its findings back to the Board, following which, the report will be published. The Food and Agricultural Group has also made good progress and follows closely, in respect of setting out its priority interventions in respect of Covid and recovery. This group in particular is focussed on Brexit, as much as the impact of Covid and will continue to develop its programme of action with Brexit at the forefront of their thinking.
- 5.0 The **Local Industrial Strategy** will be re-commissioned for completion, in this forthcoming period in order to have in place, a clear economic strategy for Lancashire as the current Strategic Economic Plan reaches term in 2020. Local Industrial Strategies were required by Government to be prepared by all Local Enterprise Partnerships and in January 2019 the Lancashire Enterprise Partnership commissioned Steer, to prepare an evidence base to support its development. Government required that these strategies were co-produced and co-published with them.

As part of Wave 3, Lancashire was in train to receive sign off for the Strategy in March 2020. Unfortunately, however, Brexit negotiations and the General Election disrupted the timeline for senior officials and the process was postponed. The re-start of the process was then further undermined by Covid19. Government has not yet made explicit, any changed policy with regards to Local Industrial Strategies but the LEP is seeking a less "prescribed" approach to production, that allows us to fully address the impact and recovery of Covid 19 and drivers to various scenarios of economic forecast.

There is now a real pressing need to revisit the original analyses, refresh the numbers and re-position the strategy to take full account of the impact, the prospects and interventions for stabilisation and recovery and to re-find the pathways to growth. To do this meaningfully, we purchase new economic forecasts that account for the disruptive impact of Covid and review the chapters, the propositions, asks and offers of the emergent strategy as well as re-socialise it with key partners.

On that basis, it would be sensible to continue to work with the existing consultants given they produced original analyses, but extend the work. Nevertheless, we believe a lot of in-house work will replace some of the re-working of the chapters and propositions as the new normal emerges for Lancashire..

- 6.0 The LEP has been encouraging a collaborative approach to producing the Independent Economic Review of the **Greater Lancashire Plan** with the unitary authorities and county council to agree the basis and specification of a





longer-term economic review as part of the Greater Lancashire Plan process. The procurement of the economic analysis will be re-started as a consequence of the passage of time, and will build on the foundation of the Local Industrial Strategy and evidence base in order that the same evidence base and forecasting model is used to support both pieces of work.

## **Governance**

### **Peer Review**

7.0 The LEP Network are leading a programme of Peer to Peer Review for all LEPs across England, it's purpose being to ensure that all LEPs are operating to a consistently high standard around the three areas, on which government assesses LEP performance – governance, strategy and delivery, and that LEPs collectively have successfully addressed the recommendations from both the National Audit Office and Public Accounts Committee findings.

Lancashire LEP was paired with the Solent LEP of which there were surprisingly many similarities. In facilitated discussion, the Chairs, Chief Executives and a couple of senior officers met for the first time in June and held a conversation which was centred on the subject areas of, response to Covid, relationships with accountable bodies and strategy setting. It proved to be a very fruitful exchange of understanding and ideas and both LEPs agreed it would be beneficial to maintain this closer relationship moving forward. The LEP Network are currently evaluating the effectiveness of these reviews and will inform us in due course, on the continued support to this programme, particularly in the context of the White Paper on Devolution.

### **Review of Form and Functionality**

8.0 A review of the core functionality of the LEP has been undertaken and used to inform proposals to ensure that the LEP has effective institutional capacity and capability. The CEX will be meeting with all Members of the Board individually to discuss the proposals and seek feedback. The aspiration is to ensure that there is sufficient capability to meet the core functions of a LEP, namely:

- Strategy development
- The allocation of funds – developing investment opportunities and prioritising them for potential funding
- Coordination – in response to challenge the local area may face
- Advocacy – an 'informed and independent voice' for the area

and in respect of the key policy areas of:

- Capital Fund investment
- Inward Investment
- Business Support
- Innovation
- Place marketing
- Skills



- Transport

The proposals will take into account the existing capability and capacity in these functional areas allocated to the LEP and the key consideration of affordability.

### **Governance Review**

9.0 A Review of governance arrangements is underway, initiated by the Members of the LEP, Lancashire County Council, Blackpool BC and Blackburn and Darwen BC. Officers from each Member have been selected, offering different but relevant, functional expertise and generally independent of LEP operational activity, to work with the LEP's Chief Executive and make recommendations to the Members to ensure:

- An effective LEP, driving and delivering economic growth and job creation for Lancashire
- National policy and framework compliance
- A collective and purposeful stake in the LEP organisation and its remit
- Effective, transparent and financially supported operational arrangements

The Review has been carried out reflecting the evolving nature of LEPs since their formation in 2010 and subsequent national reviews, policy changes and recommendations. The LEP will be benchmarked against the current expectations of LEPs as well as established best practice. In addition, more detailed reviews of governance and associated operational functionality will be taken into account. Those recommendations will be considered within this period and shared with the LEP Board for views in due course.

### **Mid-Term Review BEIS**

10.0 A mid-term review by BEIS is scheduled imminently. The previous Annual Review carried out in January 2020 set out the following findings:

- Strategic impact      Requirements not met
- Delivery                      Good
- Governance                Requires Improvement

This makes a clear statement that the LEP has work to do in order to improve. The LEP has welcomed a mid-term review both to demonstrate progress, provide a clear focus for action and seek validation and support from BEIS in respect of actions for improvement, including those set out by BEIS in the most recent Annual Review. Of particular note, the LEP will carry out an independent Annual Audit, produce an End of Year Annual Report, hold an Annual General Meeting and produce an Annual Plan for next financial year, for the Board to approve in March 2021.

The mid-term review will be concerned with the extent to which the "spirit" of expectations is being met and not just the meeting of minimal functionality requirements. The governance review which is currently being carried out by



the LEP and Members of the Company will be used as a foundational piece of the LEPs submission to BEIS. The findings of this review will be reported at the December Board Meeting.

### **Programme Updates**

11.0 Reported as a separate Board agenda item, including the proposed process for formal approval of projects to be delivered as part of the "Getting Building" Fund.

### **Programme Assurance**

12.0 The LEP Board is accountable to HMG for delivery of government funded programmes. In this coming period the LEP will base-line the following programmes to assure the LEP Board of strategic impact, performance of delivery, compliance with assurance frameworks and that all risks have been identified and appropriate mitigation has been put in place:

- Growth Deal
- Growing Places
- Enterprise Zones

Other Programmes of the LEP will be reviewed in the last quarter of this financial year.

### **Financial Report**

13.0 Reported as a separate Board agenda item

### **Risk Register**

14.0 Presented in the Governance update report

### **Major Initiatives**

#### **EDEN North**

15.0 On the 4<sup>th</sup> September, a Green Book compliant Outline Business Case was submitted to HMG seeking £70m of public sector funds towards a £125m overall project value to create a year-round, Top5 North West visitor experience destination attracting 950,000 visitors each year from 2024; success of the business case is dependent on these visitor numbers. The Business Case sets out the following:

- The preferred option for finance - £70m HMG funds, plus £10m of private philanthropic contributions, £10m contractor loan, £30m senior bank debt and £5m local crowdfunding.
- The Benefit to Cost Ratio (BCR), the amount of benefit generated for each £1 public sector funds invested is calculated to be 3.61 to 1
- A clear and apparent state aid exemption block GBER Article 53 provides gives clear headroom of >£83m against public funds already committed as well as total project costs.



- Multiple elements of benefit including the creation of 2000 jobs construction jobs between 2021 and 2024 as well as commit to 80% of supply chain spend in the local economy.

The environment in which this bid is submitted for funds, is very competitive given the context and scale of Post-Covid asks of Government. Government has indicated that they are not expecting an announcement necessarily in the Comprehensive Review of support for EDEN North, but this doesn't mean that support is not being considered.

Feedback has already been provided from colleagues across government departments which is being addressed by the project team as they come through. An earlier submission to government of this project received a response from the then NPH Minister Simon Clarke, outlining a number of points to be addressed; these points are now addressed in the OBC.

Site transfer from Lancaster City Council to EDEN is now at Heads of Terms stage and Lancashire County Council has offered to become the Accountable Body for any HMG funding, as well as providing funds to finish development of the OBC. A further £1.5m has been raised by partners which includes £1.2m of approved LEP Growth Funds, to complete the Development design phase and take the project to full Planning Consent.

### **Capital of Culture 2025**

16.0 A verbal update will be provided at the LEP Board

### **Policy Update**

#### **Comprehensive Spending Review**

17.0 The Comprehensive Spending Review is a process of Treasury Engagement with Government departments to agree policy areas of action and associated budgets for the forthcoming fiscal period. Although the LEP has not been invited to submit a response directly, many LEPs will, and Government has invited third party views via a consultation process which will facilitate LEP submissions. This LEP has prepared a response which will be considered by LEP Directors before submission on 24<sup>th</sup> September.

NP11 and the LEP Network will also be making a direct submission to the consultation.

### **Devolution White Paper**

18.0 At the time of writing there is no definitive position on the publication of this paper although various drafts are in circulation amongst government officials. The most recent indication is that this paper will be published by late October, early November.



### **Energy White Paper**

19.0 Similarly, this much anticipated paper has no confirmed date of publication, but carries very high significance in respect of the opportunities, challenges and interventions of the Sector Group for Energy and Low Carbon.

#### **Brexit**

20.0 No updates to report

### **UK Shared Prosperity Funds**

21.0 No update to report

#### **Other Business**

22.0 The post of Head of Strategic Communications and PR is currently under recruitment and Blackpool MBC will be the employing authority; the post will be seconded to the LEP. The application response was very strong with 31 applicants and interviews are taking place over the next couple of weeks.

### **List of Background Papers**

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A



Details of Risk				Inherent Risk Score	Existing Controls	Residual Risk Score	Actions			Target Score	Action Status
Ref	Risk Description	Result	Owner				Proposed Action Plans	Action Owner	Target Date		

**Strategic Risks**

**ENVIRONMENT**

1	<p><b>Covid-19</b> A new contagious virus with no vaccine or drugs to control</p>	<p>Stay at home policies, furlough and redundancies reduce consumer spending; retraction in output creates job losses and reduced GDP and taxation income; limited new investment Disproportionate impact on the North, and sectors of manufacturing, tourism &amp; hospitality sectors</p>	BOARD	20	<p>Sector Lead Proposals development and feedback to HMG Recovery strategy setting Widespread communication of Business Support Offer Getting Building Fund Various skills and employment initiatives via Boost and Skills Hub Track and Trace promotion Aerospace Task Force plan</p>	16	<p>Complete Local Industrial and Recovery Strategy Implementation of the Sector Group proposals Monitor situation with regards to government advice, plan for a phased return to work when the workplace is Covid secure and be aware of any residual (mental)health issues as a result of the pandemic. Re-alignment of eisting programmes to respond to impact of Covid Re-develop the economic forecast models and respond to new challenges and opportunities; monitor cganges ferquently and adjust plans accordingly</p>	BOARD/C EX	Jan-21	12	ongoing
2	<p><b>Brexit</b> Uncertainty about the future UK relationship with the EU/ROW creates a volatile operating environment for the county. Impacts may include economic, financial, social and policy developments to which the LEP must adapt.  Lancashire is vulnerable to immediate impacts when Britain leaves the EU in addition to attrition impacts emerging from any economic turbulence.</p>	<p>Potential short, medium and long term impacts on the economy resultng in job losses and administration Reduction in outputs and impacts of LEP delivered and influenced programmes Pre-Covid planning and prep for Brexit, now dissipated</p>	Board	20	<p>NP11 strategic agenda, initiatives and lobbying Engagement with key government departments and ministers and local MPs Transport for the North, DIT, LEP Network Initiatives New emphasis on sector group work from Covid to Brexit</p>	15	<p>BREXIT Monitor (to be implemented) Economic Resilience Task Force (to be implemented) Engagement between Economic Resilience Forum and LEP Sector leads Northern Powerhouse Trade and Investment Group engagement to ensure Lancashire participation in programmes. Completion of Local Industrial Strategy with priorities set by teh sector group</p>	BOARD/C EX	Dec-21	10	ongoing
3	<p><b>Climate Change</b> Failure to deliver on climate change initiatives</p>	<p>Non-achievement of long-termcarbon reduction targets Increasing turbulence in weather patterns affecting agriculture sector Major flooding disrupting all business Impact on population health and wellbeing as air quality deteriorates</p>	Board	20	<p>Local Industrial Strategy Clean Growth and Clean Energy Technology Park Propositions Boost Business Lancashire Low Carbon programmes encouraging take up of Low Carbon technologies in the Lancashire business community supported e.g. REDCAT &amp; other major initiatives Local IndustrialStrategy interventions NP11 Clean Energy Proposals</p>	6	<p>LEP net zero 2050 policy Review Lep Carbon footprint and take action to reduce Clean Energy White Paper actions</p>	Board/CEX	Dec-21	8	ongoing

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Details of Risk					Inherent Risk Score	Existing Controls	Residual Risk Score	Actions			Target Score	Action Status
Ref	Risk Description	Result	Owner	Proposed Action Plans				Action Owner	Target Date			
4	<b>Devolution</b> Capacity for and commitment to devolution from Central Government wanes  Inability of County to agree a way forward on governance and devolution	Access to local control of funds at scale are not made available to Lancashire Widening economic gap between Mayoral Combined Authority Areas & Lancs Lack of certainty diminishes industry confidence and investment Lack of investment fails to leverage as much private sector investment	Board	16	Local Industrial Strategy agreed with Government and published although it does not give complete clarity re national devolution work programmes. Ongoing input into Government departments on key areas of policy – Business support, skills, employment, investment, transport etc LEP review to ensure effective and efficient local partnership arrangements LEP Stakeholder Engagement Plan	12	LEP leading the voice of business highlighting the economic benefits of devolution Establish unity around common purpose of economic recovery and growth agenda Positive influence on UK Shared Prosperity Funds to advantage Lancashire	Board/CEX	Mar-21	8	ongoing	
5	<b>Role of LEPs</b> Change in government policy in relation to LEPs (possibly as part of the White Paper)	The LEP will have an opportunity to respond to either the consultation or time to implement the policy change; LEPS may be disbanded possible wind-up scenarios may need to be considered	Board	10	Contingency planning for wind-up of operations meeting all the organisations liabilities	4	Good relations with government through local BEIS contact and regular meetings with BEIS through Annual Conversation, mid term reviews, deep dives and Peer to Peer reviews. Improved performance as judged by LEP reviews by BEIS strategic impact, delivery and governance	CEX		5	ongoing	
6	<b>Northern Powerhouse</b> Role of NPH is diminished by scale, pace, resourcing, political priorities	The LEP will not have the collective voice of the Northern LEPs in terms of Trade & Investment, Northern Transport, Covid Recovery, Brexit and the Levelling Up agenda. Impact of pan-region initiatives lost - Clean Energy, Innovation, Trade and Investment	Board/Chair	9	NP11 strategic agenda and initiatives and lobbying Engagement with key government departments and ministers, Transport for the North, DIT, DEFRA Support to Minister for the North and influence over policy and decision-making Demonstration of NPH Proposition and aggregated benefits	6	MP and key stakeholder engagement to highlight lost opportunities and challenges Influence over shaping of a new pan-regional body for the North	Chair/ CEX		4	ongoing	
<b>STRATEGY &amp; POLICY</b>												
	<b>Strategic Impact</b> - failure to achieve strategic impact in Lancashire	The county does not realise its full economic potential, improve productivity, create jobs, attract new investment and grow the economy Poverty and deprivation gaps increase	Board/CEX	12	Development of the Strategic Economic Framework Development and implementation of the Delivery Plan Sector Groups established and setting the priorities for intervention and leading the Covid response Production of the Local Industrial Strategy New funds secured for Lancashire - Getting Building Funds Form and Function Review NP11 work on Clean Energy, Innovation and Trade and Investment BEIS annual and mid-term reviews	6	Influence and shaping of the UK Shared Prosperity Funds Updating of the Local Industrial Strategy post-Covid Lobbying to BEIS and HMCLG to increase LEP capacity funding Implement recommendations of the Form & Function Review Identification of cross LEP shared collaborations for greater impact Internationalisation Strategy for Lancashire					
<b>FINANCE &amp; RESOURCES</b>												



Details of Risk					Inherent Risk Score	Existing Controls	Residual Risk Score	Actions			Target Score	Action Status
Ref	Risk Description	Result	Owner	Proposed Action Plans				Action Owner	Target Date			
7	<b>People</b> As a result of the potential imbalance between demands on the organisation and organisation's capacity and capability to respond to it - staffing structures, resource, capability and capacity are not sufficient or suitably aligned to support delivery of core objectives and ongoing areas of development in agreed or emerging priority areas.	Loss of strategic impact in Lancashire, reduced resources for Lancashire Reduced influence on policy and decision-making at national and local level Impact Unable to respond to changing priorities and new initiatives. Increased demands and pressures on staff could impact upon wellbeing and attendance / absence levels. Devolution considerations affected by lack of efficiency and effectiveness in local Partner arrangements	CEX	12	Business Planning Process Strategic Framework Delivery Plan Organisation Development Strategy BEIS Mid-term Review Company Member Review of Governance arrangements	6	Governance Review recommendations implemented Organisational core capability and capacity to be agreed Succession planning at Board and staff level to be implemented Accelerated recruitment process	CEX	Dec-20	4	ongoing	
8	<b>Sustainability</b> Total LEP funding is insufficient and/or unaligned to support and deliver on minimum LEP requirements/ benchmark LEP/Strategic Framework and Programmes	Potential imbalance between funding and priorities may mean existing initiatives and future plans and ambitions are not delivered in full. LEP is exposed to potential changes in government policy that affect planning and finance assumptions. LEP loses its contribution of matched funds	Board/ CEX	8	Annual Budget Setting and Financial Processes Lobbying of Government by political and business leaders Comprehensive Spending Review Income Generation Strategy Annual negotiation with MHCLG	6	Agree core capacity with Board and members and associated costs Work with the BEIS/HMG/LEP Network to ensure that LEP's are resourced properly to achieve minimum functionality and deliver strategic impact Resolution on interest payments on ring-fenced LEP funds 7 costs of support to LEPS Negotiate for management fees on programme delivery	CEO	Mar-21	4	ongoing	
<b>ORGANISATION &amp; GOVERNANCE</b>												
9	<b>LEP Governance</b> Failure to meet minimum requirements of government in respect to LEPs - accountabilities	Dininished strategic economic impact Loss of funds for Lancashire through bidding and allocation Challenge to the Devolution journey in relation to effectiveness of local partners arrangements Failure to achieve transparency on arrangements leads to loss of trust and confidence in the LEP Failure to capitalise on opportunity or respond effectively to challenge Reputational damage Will not achieve ambition to be	Board/ CEX	16	Annual and mid-term BEIS Reviews National and Local Assurance Framework Programme management, evaluation and assessment Annual Audit Annual General Meeting Annual Business Plan Strategic Economic Framework Review of LEP Board Sub-committees	8	Function and form review to ensure the right organisational capacity and capability In-year baseline of programme activity for additional assurance Company Member Review of Governance Strategic Framework Delivery Plan	BOARD/ CEX	Mar-21	6	ongoing	

Details of Risk					Inherent Risk Score	Existing Controls	Residual Risk Score	Actions			Target Score	Action Status
Ref	Risk Description	Result	Owner	Proposed Action Plans				Action Owner	Target Date			
10	<b>Programme Compliance</b> As a result of the failure to provide appropriate governance and compliance around LEP delivered programmes	Failure to deliver the programme or delays to delivery Desired outputs and impacts not achieved Clawback of funds may be claimed from the LEP Loss of future allocations to invest in the Inability to secure Value for Money Reputational Damage - loss of confidence from partners and business	BOARD/C EX	8	Review of LEP Board Sub-Committees Programme Management Leadership capability in core LEP structure Robust Contract Monitoring Procedures LEP Assurance Framework National Assurance Framework Independent state aid and procurement advice Independent appraisals Gateway approvals processes Mid-term evaluation of Programme	4	Implement a Performance Monitoring Framework and reporting mechanism to the Board Joint Scrutiny Committee to be established Sector expertise through LEP Board recruitment and co-opted Board Members Baselining of Programme	BOARD/C EX	Mar-21	2	ongoing	
11	<b>Marketing of Place</b> As a result of failing to effectively market the place of Lancashire, to businesses and people, there is lack of new investment and skills and capability to support growth in the economy	Reduced government investment in large schemes, Reduced investment from foreign owned and indigenous companies reduced investment in R & D as a result of no profile/identity No pride in Lancashire.	BOARD	9	Marketing and Communications Strategy and Plan Stakeholder Engagement Plan Sector groups to help define the propositions Engagement with NPH Trade & Investment and Innovation pan-regional programmes Commission activity via Marketing Lancashire and other partners	6	Recruit to core capability of staff Produce Internationalisation Strategy Produce Set of investment propositions Create the Lancashire narrative for business investment	BOARD/C EX	Mar-21	4	ongoing	
12	<b>Business Interruption</b> Incident (fire/flood/explosion/IT failure/terrorist activity/natural disaster) creates long-term disruption to the business of the LEP	LEP is unable to provide services to businesses, stakeholders reducing economic impact	CEX	4	Business Continuity Plan IT Back-up policy and plan Working from home policy Communications Strategy	2		CEX	Dec-20	3	In Place	
13	<b>Behaviours and Culture</b> The culture of the LEP fails to adapt to changing organisational demands which in turn impairs efficiency and delivery.	Lack of stakeholder engagement High turnover in staff and LEP directors Poor Partner relationships Diminished operational and strategic performance	BOARD/ CEX	8	Board and CEX modelling desired behaviours Regular 360 Communication and feedback from CEX and Chair/Board Staff Engagement Survey? Staff Personal appraisals - measures that determine behaviours Staff Personal Development Plans Board Bi-Weekly Informal Briefings Board Awaydays	3	Board appraisals Mentoring for new board members	Chair/ CEO	Mar-21	4	ongoing	



## Lancashire Enterprise Partnership Limited

**Private and Confidential: NO**

**Date:** Friday, 15th September 2020

### **LEP Board Financial Update - September 2020**

(Appendix 'A' refers)

**Report Author: Sarah Kemp, Tel: 01772 531885,  
Sarah.Kemp@lancashirelep.co.uk**

#### **Executive Summary**

This report presents the Lancashire Enterprise Partnership Board with an update on LEP finances since the last Board meeting held in June 2020.

#### **Recommendation**

The Lancashire Enterprise Partnership Board is asked to note:

- (i) August position on income and expenditure of the LEP's Operating Budget and changes to forecast and actuals.
- (ii) An end of year forecast of an in year deficit of £1,686,666 based on the use of retained reserves to fund delivery of the agreed budget.
- (iii) The current position of the Income and Expenditure Account for the current financial year to date of a surplus of £148,651 compared to a surplus to date in July of £154,901
- (iv) The Section 151 officer commentary on the operating budget position and recommendation that a medium term financial strategy be developed alongside the strategic framework.

#### **Background and Advice**

The Board are requested to note the main changes in this account since July:

##### **1.0 Income :**

Increased invoiced interest on growing places from £83,982 at July to £255,073



## 2.0 Expenditure:

### Salaries

- Monthly salaries are in line with the approved budget and including
- Annual £10,000 contribution to the SAP post within the Skills budget paid this month.
- No changes to forecast as a result of a further six month extension to the employment contract of two members of staff as the budget includes a full year provision for these posts.

### External Appraisals

- £6,000 paid on Growth Deal assurance work

### Projects

- £50,000 LEP contribution to Pride of place support in respect of 2019/20 Board commitment

### Marketing

- 2 payments to North West Insider £1,500 and £8,445 in respect of an Enterprise Zone event to be held in October of this year and a contribution to Lancashire Day

### Legal

- £2,478 payment for state aid advice +
- £15,647 for retained legal advice to July 20

### Consultancy

- Temporary consultancy support for Strategy and Policy work includes July and August payments. Forecast increase of £51,000 in consultancy costs, as a consequence of contract extension to the end of December 2020 to be taken from reserves.
- Consultancy and Professional support to the Aerospace Task Force, total expenditure of £10,450.
- Consultancy and professional support to the LEP Reviews of £8,000.

## 3.0 Forecast

The forecast for the year has moved from a forecast net expenditure of £1,731,424 at July to a forecast net expenditure of £1,686,666. This represents £44,758 less money drawn now planned to be drawn from reserves and is made up of the following changes:

- Increased income based on actual growing places interest £171,091
- Changes to temporary consultancy support (£126,333)

The forecast reserve position at March 2021 will be reserves of £786,343.

These forecasts both include provision to expend the general project funding budget of £510,000 and the £510,000 commitment to support Eden of the North that was included in the 19-20 budget and carried forward when not spent in that year. If both these budget allocations remain unspent at March 2021 the forecast



net expenditure will reduce to £676,666 and forecast reserves increase to £1,796,343

#### 4.0 Section 151 Commentary

The LEP has healthy reserves which are being used to support its current activity. Annual operating costs currently make up the significant proportion of the annual income which will constrain investment decisions, particularly in respect of ad hoc projects and response to HMG initiatives. Directors will want to prioritise their revenue spend to ensure they retain a sustainable operating model to deliver their strategic ambitions.

The use of reserves will need to be managed to ensure that sufficiency is retained to cover liabilities accruing to the LEP as a more independent agency. These will include contractual commitments and pensions. Officers are working to construct the LEP balance sheet to facilitate decision making.

I would strongly recommend that a medium term financial strategy be developed to sit alongside the emerging strategic framework when it comes to the Board for approval.

#### 4.0 Operating Budget

The Operating Budget is attached at Appendix 'A'.

#### List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A



**Appendix A**  
**Lancashire Enterprise Partnership**  
**Forecast Profit and Loss Account - 2020-21**

	2020-21 Budget	Ref	2020-21 Actuals	2020-21 Forecast	2020-21 Variance Budget to Forecast
<b>Income</b>					
DCLG income - strategic	250,000		250,000	250,000	-
DCLG income - core	250,000		250,000	250,000	-
LCC	250,000			250,000	-
Growing Places Interest received			255,073	255,073	
<b>Total Income</b>	<b>750,000</b>		<b>755,073</b>	<b>1,005,073</b>	<b>-</b>
<b>Expenditure</b>					
<i>Staffing</i>					
CEO and interim CEO Costs	151,200		78,728	151,200	-
LEP core staff	374,500		61,914	374,500	-
LEP contribution to Skills Hub staff	104,000		32,638	104,000	-
		629,700	173,280	629,700	-
<i>Core Running Costs</i>					
Accommodation	20,000		7,097	20,000	-
Running costs estimate	25,000		9,652	25,000	-
		45,000	16,749	45,000	-
<i>Project Support</i>					
Additional Eden Commitment ( 19-20 Provision)	500,000		-	500,000	-
County of Culture support ( 19-20 provision)	92,000		92,000	92,000	-
Festival of making	50,000			50,000	-
LEP programme consultancy and assurance	100,000		15,000	100,000	-
Pride of Place Support	50,000		50,000	50,000	-
LIS production			18,486	93,486	-
General Project Funding	510,000			510,000	-
		1,302,000	175,486	1,395,486	-
<i>Marketing &amp; communications activity</i>					
Specific agreed marketing projects	120,000		82,828	120,000	-
		120,000	82,828	-	120,000
<i>Marketing &amp; communications commissions</i>					
Acheivements brochure and annual publications	10,000			10,000	-
		10,000	-	10,000	-
<i>Fees and charges</i>					
Legal Support	75,000		18,125	75,000	-
Company Secretary	43,000			43,000	-
Temporary Consultancy Support	142,220		117,058	193,553	- 51,333
		260,220	135,183	311,553	- 51,333
<i>LEP Restructuring Budget</i>					
Consultancy and professional support	150,000		18,450	150,000	-
Recruitment costs	30,000		4,445	30,000	-

	<u>180,000</u>	<u>22,895</u>	<u>180,000</u>	<u>-</u>
Total Expenditure	<u>2,546,920</u>	<u>606,422</u>	<u>2,691,739</u>	<u>- 51,333</u>
<b>Net P&amp;L</b>	<u>- 1,796,920</u>	<u>148,651</u>	<u>- 1,686,666</u>	<u>51,333</u>
 <b>Reserves</b>				
LEP account balance brought forward, including Growing Places interest	2,473,009	2,473,009	2,473,009	
Balance of P&L above	- 1,796,920	148,651	- 1,686,666	
Total LEP funding available	<u>676,089</u>	<u>2,621,660</u>	<u>786,343</u>	



## Lancashire Enterprise Partnership Limited

**Private and Confidential: No**

**Date:** Wednesday, 30 September 2020

### **Governance and Committees Report**

**Report Author: Misbah Mahmood Tel: 01772 530818,  
Misbah.Mahmood@lancashire.gov.uk**

#### **Executive Summary**

This report extracts the key items considered by each of the Lancashire Enterprise Partnership Board (LEP) Committees at their recent meetings and, where applicable, and if not considered elsewhere on the Board's main agenda, contains decisions referred to the Board by its Committees for approval.

#### **Recommendation**

The Lancashire Enterprise Partnership Board is asked to note the updates provided in this report in relation to Governance, urgent decisions taken since the last LEP Board meeting and the Committees of the Lancashire Enterprise Partnership as set out.

### **Background and Advice**

This is a standing report which provides an update on governance issues and meetings of committees of the LEP since the last ordinary meeting on 23 June 2020 in accordance with the LEP Assurance Framework dated December 2019, publicly available on the Lancashire Enterprise Partnership website:

<https://lancashirelep.co.uk/about/policies/>

### **Current LEP Committee Vacancies**

A number of LEP Committee vacancies exist within the LEP Assurance Framework as follows:

- 1 x Enterprise Zone Governance Committee Member
- 2 x Performance Committee vacancies for a Chairman and an additional Committee Member
- 1 x Growth Deal Management Board Chairman
- 4 x Skills and Employment Advisory Panel Private Sector vacancies



The LEP Board is asked to **note** the following Committee Member changes that respective organisations have made:

- Edwina Grant, LCC, has joined the Skills and Employment Advisory Panel as a Committee Member
- Andrew Dewhurst has resigned as a Committee Member on the Skills and Employment Advisory Panel. A recruitment process will commence shortly to fill this vacancy
- Justin Kyriakou, ICAEW, has replaced Neil McMillan on the Business Support Management Board

## **Updates from recent LEP Committee Meetings / Decisions taken by the Urgent Business Procedure of the LEP**

### **1. Urgency Business Procedure Decisions**

#### **Growing Places Report – 19 August 2020**

The Lancashire Enterprise Partnership Board agreed to:

- (i) Consider and approve the ETC Urban request for a suspension of interest accrual on the loan for a period of 6 months from 23 March 2020
- (ii) Consider and approve the ETC Urban request for a 6 month extension to the loan without penalty charges  
Consider and approve the ETC Urban request for the interest payments to come from sales, to be achieved by a letter of variation to the Facility Agreement
- (iii) Consider and approve the Bowker Performance Cars Ltd request to delay the payment of the interest invoice for 2019/20 until 31 December 2020
- (iv) Consider and approve the Bowker Performance Cars Ltd request for the loan to be converted into grant be refused
- (v) Consider and approve the Bowker Performance Cars Ltd request for a suspension of interest accrual for a period of 3 months from 23 March 2020.

#### **Growth Deal Eden Project – 08 August 2020**

The Lancashire Enterprise Partnership Board:

- (i) Approved grant funding of £1.200m LGF to the Eden of the North project, subject to; the following conditions:
  - a. Final State Aid Advice is provided which demonstrates compliance; and
  - b. Eden to provide an indemnity or other such mechanism, as agreed by LEP CEO, which satisfies that the LEP is able to seek to recover grant monies, in relation to the capitalisation of Growth Deal grant, in the event the main Eden project does not transpire; and



- (ii) Approved the finalisation and execution by Lancashire County Council (as accountable body for the LEP) under the guidance of the Directors of Economic Growth, Environment and Planning, of a Grant Funding Agreement and other relevant legal documentation as may be necessary to protect the interests of the LEP.
- (iii) Approved that LEP Officers to operate outside the LEP Assurance Framework in respect to, preparation costs and business case aspects, as discussed within this report.

### **Northlight Call Centre Project – 08 August 2020**

The Lancashire Enterprise Partnership Board:

- (i) Approved a grant funding approval of an additional £2.500m LGF (£0.250m previously approved, £2.750m in total) to the Northlight Call Centre project, subject to;
  - a. the conditions as detailed within the report; and
  - b. the finalisation and execution by Lancashire County Council (as accountable body for the LEP) under the guidance of the Directors of Economic Growth, Environment and Planning, of a Grant Funding Agreement and other relevant legal documentation as may be necessary to protect the interests of the LEP.

## **2. Transport for Lancashire Committee**

There have been no meetings of the Transport for Lancashire Committee since the last update.

Full agendas and minutes for Transport for Lancashire meetings can be accessed here: <http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeId=956>

## **3. City Deal Executive and Stewardship Board**

The Combined City Deal Executive and Stewardship Board met on 14 July 2020 and considered / approved the following:

Homes England Quarterly Report Q4 – the Board noted the update presentation from Homes England, and noted specifically:

- Preston City Council had granted planning permission in February for 715 new homes at the site of the former Whittingham Hospital
- A planning application had been submitted for the Croston Road North site
- 67 completions had been carried out during quarter 4

Preston Western Distributor – the Board noted the update provided and requested a further report detailing the costs of the project

Affordable Housing in the City Deal Area – the Board noted the update and agreed that a report detailing the current position should be provided to a future meeting



**City Deal Review** – a private and confidential report was received regarding City Deal Review. Following consideration the resolutions were as follows:

- i. Approved the release of £1.07m from the A582 Scheme allocation in the Infrastructure Delivery Fund in order to progress the Business Case for £50m of MRN funding for the A582 Dualling Scheme (topped up by £440,000 (to £1.51m) from DfT which it reserves the right to re-claim if the scheme does not get delivered).
- ii. Confirmed its funding commitment of £1.6m from the Cottam Parkway allocation in the Infrastructure Delivery Fund, in order to provide the local contribution required to deliver the £24.4m New Cottam Parkway Railway Station as part of the Transforming Cities Programme and note that the drawdown of this funding will be made in 2023.
- iii. Approved the release of £47,500 in order to deliver urgent bus provision/public realm works for health and safety reasons in Bamber Bridge, as outlined in the report.
- iv. Noted the future City Deal funding commitments, in particular, the Harris Quarter Cinema Scheme and full cost of the A582 Widening Scheme, required to be determined in Oct 2020 in line with current programme.
- v. Noted that the potential risks to the City Deal arising from the Covid 19 pandemic cannot be fully quantified at this stage, but further assessment of the implications will be undertaken as they become more fully understood.
- vi. That a meeting would take place within the next three weeks, between the Leaders of Lancashire County Council, Preston City Council and South Ribble Borough Council, Steve Fogg and Mark Rawstron, in order to discuss future funding arrangements and terms.

**Homes England – Business and Disposal Plan Update** – a private and confidential report was received. Following consideration the resolutions were as follows:

- i. Noted the progress towards the successful delivery of the 11 Homes England City Deal sites;
- ii. Noted Homes England's current and future investment into the City Deal; and
- iii. Endorsed the updated Business and Disposal Plan (BDP) setting out the site milestones and financial forecasts to March 2023.

**Infrastructure Delivery Performance Monitoring Report** – the Board received a private and confidential report, which was noted

**City Deal Finance Monitoring Report Q4** – the Board received a private and confidential report which was noted

Full agendas and minutes for the Combined City Deal meetings can be accessed here: <http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1072>

#### **4. Growth Deal Management Board**

The Growth Deal Management Board met on 21 July 2020 and considered / approved the following:



**Growth Deal Programme and Project update** – the committee received an update report on the programme and resolved:

- i. LEP Officers to complete variations to project GFAs as required, in order to meet the requirements of the government review
- ii. the Futures Park project GFA be amended, following receipt and agreement of the change request by the Technical Team, to allow retention of the full allocation
- iii. the GFAs for the Engineering and Innovation Centre Drone Command & Control Centre, Lomeshaye Industrial Estate Extension Phase 1, and the Blackpool Airport Enterprise Zone would be circulated for approval via written resolution

**Eden of the North project** – the committee received a private and confidential report outlining the project proposal. Following debate, the committee:

- i. Recommended to the LEP Board an allocation of £1.200m Growth Deal funding to the Eden of the North project
- ii. Noted that a further report will be circulated via written resolution in relation to the funding recommendation, including a response to the due diligence matters as detailed within the report

**Northlight Call Centre project Funding Recommendation** – the committee received a private and confidential report outlining the project appraisal. Following debate, the committee resolved that the Growth Deal Management Board recommend to the LEP Board a grant funding approval of an additional £2.500m LGF to the Northlight Call Centre project be subject to:

- i. The conditions as detailed in the appraisal report
- ii. The finalisation and execution by Lancashire County Council (as accountable body for the LEP) under the guidance of the Directors of Economic Growth, Environment and Planning of a Grant Funding Agreement and other relevant legal documentation as may be necessary to protect the interests of the LEP
- iii. Heads of Terms and a pre-let agreement being agreed with the named end occupier, before funds were released

The reports and minutes for Growth Deal Management Board meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1218>

## **5. Enterprise Zone Governance Committee**

The Enterprise Zone Governance Committee has not met since the last update.

Full agendas and minutes for the Enterprise Zone Governance Committee meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1171>

## **6. Lancashire Skills and Employment Advisory Panel**

The Lancashire Skills and Employment Advisory Panel met on 03 June 2020 and considered / approved the following:



**Impact of covid-19 on Skills and Employment** – the panel received an update on emerging risks and priorities, and made a number of comments to be included in the report to the LEP Board

**Digital Skills Landscape Research** – the panel received a presentation on the key headlines from Lancashire's digital sector research, and commented on the priority list

**Skills and Employment Advisory Panels** – the panel received an update giving background and progress against the government's requirements. The panel noted the planned use of the Skills Advisory Panel grant in 2020/21 and agreed to recommend to the LEP Board that the £75,000 grant offered by the Department for Education be accepted.

**Expansion of the Lancashire Careers Hub** – the panel received a private and confidential report highlighting that funding had been allocated by Department for Education (DfE) to the Careers and Enterprise Company (CEC) to enable the continuation and expansion of the existing Lancashire Enterprise Adviser Network and Careers Hub. An options paper, supported by the LEP Chair and Interim Chief Executive had been submitted to the CEC. The preferred option was to roll out the Careers Hub from Blackpool, Burnley and Pendle to the whole of Lancashire.

The Panel met again on 9 September 2020, and considered the following:

**Careers Hub expansion** – the panel received a presentation from Mark Bowman, CEO – Inspira, and Kay Vaughan – Careers Hub Lead, on the expansion of the Careers Hub, outlining the journey so far, current progress against the average benchmarks, support available during Covid-19 restrictions and plans for the next term.

**Impact of Covid** - The Panel received a presentation from Joe Mount, Skills & Economic Intelligence Officer highlighting the latest insights on the impact of Covid-19, and specifically updating on furlough rates and claimant counts by district, age, gender and sector, a comparison of the north west to the UK as a whole and the take up of the Self Employed Income Support Scheme. There was also an update on the Skills Swap, Skills for Work, Redundancy Task Force, Post-16 Officers Group, Digital Skills and Devices, Digital Careers Journey and online stakeholder engagement.

The 'Lancashire Keep Learning' social media campaign, aimed at providing 16-24 year olds with information and encouragement to remain in or return to education, had appointed an agency with experience in reaching this age group to develop creatives for Snapchat, TikTok and Instagram. £15,000 had been allocated to the campaign, though it was intended to request partners to contribute to allow expansion.

**Lancashire Skills and Employment Strategic Framework** - It had been agreed at the July committee meeting that the framework should be refreshed for a one year period, taking into account the unique environment resulting from COVID-19, the development of the LEP's Strategic Economic Framework and the Greater Lancashire Plan, and the requirements of Department for Education for a Local Skills





Report. The panel discussed the draft Strategic Framework and agreed to a light touch consultation

Full agendas and minutes for the Lancashire Skills and Employment Advisory Board meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1011>

## 7. Performance Committee

There have been no meetings of the Performance Committee since the last update.

## 8. Business Support Management Board

The Business Support Management Board met on 21 May 2020 and considered / approved the following:

**Boost – use of BEIS Grant in 2020/21** – the committee received a report outlining the proposals for the BEIS funding as follows, and agreed to recommend this to the LEP Board for approval:

- A. Growth Hub Delivery ERDF Match - £220,000
- B. Executive and Performance Management cost, performance, compliance and quality assurance activities (including ERDF compliance) - £50,000
- C. Evolutive CRM Maintenance and licences - £30,000
- D. Purchase of Business Data, including (Beauhurst) - £18,000
- E. Events, Marketing and Printing - £10,000

The panel also requested the Head of Service Business Growth, Director of Growth, Employment and Planning at Lancashire County Council and the LEP Chief Executive to draw up proposals for the supplementary funding of £208,500, reflecting the need to respond to challenges to Lancashire Businesses as a result of COVID-19

**Covid-19 Business Impact and Responses in Lancashire** – the committee received a presentation on the support activity for businesses during the COVID-19 crisis, covering national business support offers, a breakdown of Boost enquiries, data from the Chamber of Commerce, cash flow and reserve data and key actions. They also received a proposal on a piece of research undertaken by the Centre for SME Development at UCLan on the impact of COVID-19 on SMEs in Lancashire, expected to take place over the next 18 months. It was resolved that the committee:

- i. Request the strapline work around recovery be circulated to the Business Support Management Board for review and comment
- ii. Support the bid submission from the Centre for SME Development to the UK Research & Innovation (UKRI) for coronavirus research funding
- iii. Support the Centre for SME Development's request to play a role in helping analyse or coordinate responses to various surveys, or to send out a separate survey

The committee also met on 27 August 2020 and considered the following:



**Covid-19 Recovery Grants** – the committee received a report on the Covid Recovery Grants and the intention for Lancashire to draw down and distribute £1,544,072 of European Regional Development Fund resources to deliver Recovery Grants. It was agreed that officers continue to share detailed progress and contact the members of the committee who had offered support

**Peer to Peer Business Support** – the committee discussed the report on the Peer to Peer Business Support announced by government in July. Lancashire had been allocated £345,000 to deliver 23 Peer Network cohorts, to be delivered by the end of March 2021. It was noted that given that following a usual procurement practice to select and award contracts to partners could delay the delivery of this initiative by up to three months, and the short window to deploy these funds, the Growth Hub is seeking approval from the Lancashire County Council Cabinet for an alternate, truncated award process to advance delivery of this initiative.

**Phoenix Research Project** - the committee received a presentation on the Phoenix Research project, outlining the research package and pathway, outputs and timelines. It was noted that the project had been unsuccessful in its bid for funding, despite being given very positive feedback, as it was deemed to be not national enough. Sue Smith and colleagues at UCLAN planned to continue the project but could only continue on a skeletal basis without some form of funding support. The aspiration for the project was to inform policy and practice. It was agreed that Sue Smith link with the members of the Chambers of Commerce to consider the Quarterly Economic Survey data and potential to add supplementary questions, and that Andy Walker raise it as an item of interest to the NP11 Growth Hub group

Full agendas and minutes for the Business Support Management Board meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1220>

## 9. Innovation Board

The Innovation Board held its first meeting on 24 July 2020.

The Board received a private and confidential report on the overview of the work done to date in relation to the delivery of the Innovation Plan, and agreed that officers develop specific proposals in relation to the following, for further consideration by the Board:

- a) The identification of key 'Lancashire' distinctiveness within the 6 key Pillars of Growth in the Lancashire Enterprise Partnership Strategic Framework which will be the main focus for the Innovation Board in relation to economic opportunity and challenge.
- b) Arrangements for the monitoring the wider innovation programme of work, as set out in the Action Log, via the 'Observatory' and the establishment of Key Performance Indicators for measuring success.
- c) The development of a pipeline of potential future projects which will enable the Board to respond quickly when future opportunities to submit bids arise.
- d) The final proposed Marketing Strategy for approval





- e) Specific arrangements for 'Lancashire Innovation Month in October 2020 and how Innovation Ambassadors/Champions will be utilised to promote innovation in the future.

### List of Background Papers

Paper	Date	Contact/Tel
none		

Reason for inclusion in Part II, if appropriate

n/a



# Agenda Item 13

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