

LEP - Growth Deal Management Board

Minutes of the Meeting held on Tuesday 21st July 2020 at 2.00pm via Zoom

Present

Michael Ahern
Steve Burns
Alan Cavill

Dr Michele Lawty-Jones
Julie Whittaker

Observers

Katherine O'Connor, Department for Business, Energy and Industrial Strategy

In Attendance

Jo Ainsworth, Principal Accountant – Capital & LEP, Lancashire County Council
Julia Johnson, Principal Lawyer, Lancashire County Council
Sarah Kemp, CEO Lancashire Enterprise Partnership
Anne-Marie Parkinson, LEP Investment Programme Manager
Holly Tween, Democratic Services Officer, Lancashire County Council

1. Welcome and Apologies for Absence

The Chair, Michel Ahern, welcomed all in attendance.

Apologies were received from Martin Kelly.

2. Declaration of Interests

Julie Whittaker declared an interest in item 10, Northlight Project.

Steve Burns declared an interest in item 9, Eden of the North project.

3. Minutes of the meeting held on 04 March 2020

Resolved: that the minutes of the meeting held on 04 March 2020 be approved as an accurate record

4. Matters Arising

There were no matters arising that were not on the agenda

5. Reporting to Lancashire Enterprise Partnership Board

This would be covered in individual items below.

6. Any Other Business

None

7. Date of Next Meeting

The next meeting will be held at 1.30pm on 02 September 2020. Arrangements to be confirmed closer to the time.

8. Exclusion of the Press and Public

At this point the Growth Deal Management 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 circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

9. Growth Deal Allocation - Eden of the North project

The Growth Deal Management Board considered a report (circulated) outlining the Eden of the North project proposal along with a slide presentation outlining the plans and projected metrics, and a discussion took place.

It was commented that in relation to skills and education the impact of this project was already being felt; schools, colleges and the university were already engaging.

The Board noted that this project was of great strategic importance for Lancashire and the North West, would support the tourism industry and the local supply chain, provide new jobs, and deliver educational benefits even prior to construction and completion.

Resolved: that the Growth Deal Management Board:

- 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

10. Growth Deal - Funding Recommendation - Northlight Call Centre Project

The Growth Deal Management Board considered a report (circulated) outlining the appraisal report for the Northlight Call Centre project.

Graeme Collinge and Kram Sadiq attended for this item to give further information and answer questions.

Having considered the information provided, the progression of the other elements in the wider Northlight project, the value for money and job creation, the Board supported the project, with the recommendation for approval contingent on Heads of Terms and a pre-let agreement with the named end occupier being in place.

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

11. Growth Deal - Programme and Project Update Report

The Board considered the report (circulated) updating on the programme's/ progress.

It was noted that the 100% of the funding had now been allocated.

The metrics performance summary was highlighted, showing that as at quarter 4 2019-20, with the exception of five outputs shown in red, the quarter 4 forecasts for all outputs had been met or exceeded. However, it was noted that the impact of covid-19 on economic outputs, and particularly around job creation, was not yet clear.

It was highlighted that the government review had taken place, to assess the programme's ability to fully defray the Growth Deal allocation by 31 March 2021. The Board were advised that a strong case for full retention had been presented, and financial options had been identified for those projects who may now be unable to defray all the Growth Deal funds on time due to covid-19. Various options were set out in the report and individual options had been agreed with each grant recipient.

It was noted that a change request for the Blackpool Conference Centre project was expected, due the project experiencing delays and increased costs.

LEP officers had identified some ineligible costs within the Futures Park project. As these were not significant and they had experienced higher costs in other areas, it was agreed that the full allocation should remain with the project. The change to the GFA would follow the usual process of the Change Request procedure, noting that the Board had approved the principle at this meeting.

Resolved: that the Growth Deal Management Board approved that:

- 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

12. Growth Deal Finance Report

The Board considered a report (circulated) showing the fund's position as at July 2020.

Resolved: the Growth Deal Management Board:

- i. Noted the spend as at July 2020, together with the spend to be made in 2020-21
- ii. Noted the forecast of funding balanced to the funding available as set out in the report
- iii. Noted the need to address potential slippages in the programme as documented in other reports to this meeting to ensure spend remains in line with government requirements

13. Projects requesting additional funding

None