

Lancashire Enterprise Partnership Limited Board

Minutes of the Meeting held on Tuesday, 6th October, 2015 at 6.00 pm at the Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston

Present

Edwin Booth (Chairman)

Councillor Simon Blackburn	Councillor Phil Riley
Graham Cowley	Cliff Robson
Richard Evans	David Taylor
Malcolm McVicar	Councillor Mark Townsend
County Councillor Jennifer Mein	Mike Tynan

In Attendance

Dave Colbert, Specialist Transport Advisor, Lancashire County Council
Tom Flanagan, Director Place, Blackburn with Darwen Borough Council
Andrew Good, Head of Service Financial Management, Lancashire County Council
Neil Jack, Chief Executive, Blackpool Council
Beckie Joyce, Head of Service, Strategic Economic Development, Lancashire County Council
Martin Kelly, Director of Economic Development, Lancashire County Council
Andy Milroy, Company Services Officer, Lancashire County Council
Jo Turton, Chief Executive, Lancashire County Council
Ian Young (Company Secretary)

1. Welcome and Apologies for Absence

The Chairman, Edwin Booth, welcomed all to the meeting. Apologies for absence were received from Jim Carter, Mike Blackburn, Mark Smith and Councillor Stuart Hirst. Officer apologies were received from Harry Catherall and Pam Smith.

2. Minutes of the Board meeting held on 16th June 2015 and Special Board meeting held on 7th September 2015

Resolved: The minutes of the Board meeting held on 16th June 2015 and the Special Board meeting held on 7th September 2015 were approved as an accurate record and signed by the Chairman.

3. Matters Arising

None

4. Declarations of Interest

None declared on the substantive agenda items.

5. LEP Governance and Sub Committees Decisions Report

Andy Milroy, Company Services Officer, Lancashire County Council presented a report (circulated) updating the Board on Governance matters and on the work of each of the Committees of the Lancashire Enterprise Partnership (LEP).

Resolved: The Board:

- (i) Noted the final Hillhouse EZ submission submitted to Government, as approved by the Executive Committee, (attached separately within the Part II section of the agenda).
- (ii) Approved the following recommendations regarding the Skills Board:
 - a. The change of name from Lancashire Skills Board to Lancashire Skills and Employment Board.
 - b. The revised Terms of Reference and Membership as set out at Appendix 'A' to this report.
 - c. Approve that Professor Andrew Atherton be replaced as a Member by Mark Allanson, effective from 31 December 2015 with Mark Allanson invited to observe Board meetings until the formal appointment date.
 - d. Delegate authority to the LEP Executive Committee to approve the appointment of the three new Private Sector Members, once identified by the Skills Board.
- (iii) Approved the appointment of Mike Damms as the second LEP Chair/Vice Chair nomination on the Transport for Lancashire Committee and noted that the other nominated representative was Graham Cowley.
- (iv) Noted the resignation of Richard Evans from the Enterprise Zone (EZ) Governance Committee.
- (v) Noted the updates provided in this report from all LEP Sub-Committees.

6. Update on the LEP's Strategic Marketing Commission

Ruth Connor, Chief Executive, Marketing Lancashire presented a report (circulated) which updated the Board on the LEP's Strategic Marketing Commission and progress made to date.

The Board was reminded of its decision taken on 17th March 2015 to progress with the procurement of a strategic marketing tender.

In addition the Board was reminded that at the 16th June 2015 Board Meeting, the LEP Board agreed to the appointment of two agencies, Thinking Place and SKV Communications. The total budget for the term of the contracts, exclusive of VAT, but inclusive of all fees, disbursements, and other expenses is £56,250 for Thinking Place to create the Lancashire Story and £66,000 to develop the media and communications strategy with SKV Communications.

The report presented gave an overview of the work undertaken by both agencies since appointment.

Resolved: The LEP Board:

- (i) Noted the contents of this report;
- (ii) Approved the proposed approach to continuing to develop a strategic marketing proposition for Lancashire, as set out in this report;
- (iii) Delegated authority to the Director of Economic Development of Lancashire County Council and the Chief Executive of Marketing Lancashire, to progress with the outputs required from this project;
- (iv) Agreed to a special LEP Board meeting at the end of October to consider and agree the draft Lancashire Story; and
- (v) Requested that the Chief Executive of Marketing Lancashire provide regular updates to the LEP Board on the work programmes and outputs of the appointed consultants.

7. Lancashire Skills and Employment Strategic Framework

Amanda Melton, Chair of the Lancashire Skills and Employment Board, presented a report (circulated) which provided the LEP Board with an updated Lancashire Skills and Employment Strategic Framework for comment.

The Board noted that the framework had been further refined following a Skills Board Away Day held in August and the completion of the skills and employment studies

In addition it was reported that the revised framework drew together the key priorities and objectives from the range of studies, identifying common themes and issues. The framework is structured into 4 themes: Future Workforce, Skilled & Productive Workforce, Inclusive Workforce and An Informed Approach.

It is intended that the Strategic Framework will inform and underpin the investment decisions made in relation to discretionary funding (for example, ESIF funding and Growth Deal Skills Capital) and influence the use of mainstream skills and employment budgets, for example, the proposed apprenticeship levy. Providers making use of these budgets in Lancashire will be invited to set out

how their delivery will contribute to achieving the Framework's priorities. In delivering the Strategic Priorities, the Skills Board and other strategic partners will also work with employers to leverage greater levels of employer engagement and investment in key areas.

It was also noted that it is intended that consultation will be undertaken with Local Authorities through meetings with the Chief Executives, scheduled during October and November, and through attendance at meetings and events with key stakeholders including skills providers and employers.

Two events will be led by the Skills Board and the Skills Hub in early November 2015, one targeting key stakeholders such as Local Authorities, Providers (including private providers, Further Education Colleges and Higher Education Institutions) and the voluntary and community sector, and one targeting employers and representative bodies.

The events will be branded 'The Lancashire Skills and Employment Conversation'. The events aim to gain feedback on the framework, gain ownership and engage key stakeholders and employers in the delivery of the actions.

Whilst the Framework will be finalised following the consultation events, it is recognised that the Framework will need to constantly evolve in accordance with the demands of employers and the changing policy context. LEP Directors will also be invited to the events.

Resolved: The Board:

- (i) Approved the final draft of the Lancashire Skills and Employment Strategic Framework, and;
- (ii) Approved the proposed method for consultation.

8. Growth Deal Update

Beckie Joyce, Head of Service, Strategic Economic Development, presented a report (circulated) that provided an update on Growth Deal and presented a number of recommendations for LEP Board approval.

Resolved: Following consideration of the recommendations the LEP Board:

- (i) Approved the recommendation made by Transport for Lancashire to grant Full Approval to the Broughton A6 Bypass scheme and request that the Growth Deal Management Board (GDMB) ensure the actions advised by the independent appraiser, Atkins, are discharged;
- (ii) Approved the recommendations made by Transport for Lancashire grant Approval to the Blackpool Integrated Traffic Management Scheme, subject to conditions being met, and requested that the GDMB ensure that these

conditions are fully met and that actions advised by the independent appraiser, Jacobs, are discharged;

- (iii) Approved the granting of Full Approval to the Preston Shared Space Scheme, and request that the GDMB ensure that the actions advised by the independent appraiser, Regeneris, are discharged;
- (iv) Noted the re-evaluation of elements of the Business Case for the Energy HQ by the Skills Funding Agency and, the outcome of the independent appraisal, and approved the granting of Full Approval for the scheme, as presented.
- (v) Noted that Government may announce a further Growth Deal round in late November and requested that officers of the LEP ensure potential project sponsors across Lancashire are made aware of this possible opportunity so that any bids can be prepared quickly.

9. Performance Committee Update

Beckie Joyce presented a report (circulated) which updated the Board on progress made in establishing a programme of activity for the Performance Committee.

In addition the Board was advised that the Government Internal Audit Agency (GIAA) is carrying out an audit of LEP's and that Lancashire has been randomly selected to be included in their first audit sample.

The audit work is likely to be undertaken in the following areas:

- Reliability and quality of LEP self-reporting, in relation to how robust and reliable data and information is to inform reporting;
- Transparency, in relation to how LEPs operate, utilise financial resources and make decisions;
- Governance and accountability of decisions, in relation to the LEP Board and accountable local authority;
- Value for money and business case development, in relation to the effectiveness of LEPs to appraise and approve business cases; and
- Implementation and delivery, in relation to the monitoring arrangements that LEPs have in place to support effective and efficient delivery.

A pack of information requested by the GIAA is being compiled which will be followed by a meeting with the GIAA, who are likely to wish to meet with relevant delivery and implementation officers, at a date to be confirmed later in October 2015.

In addition it was noted that Richard Evans, Chair of the Performance Committee has now met with the majority of LEP Committee Chairs to gain an understanding of priorities, performance management and emerging risks. Richard has also met relevant legal, financial and audit officers of the LEP's accountable body, Lancashire County Council to clarify roles, responsibilities and requirements of

the PC and the accountable body. This work has resulted in the development of a draft risk register and core risk matrix, set out at Appendix 'A' to the report for Board approval.

It was further reported that as part of the development process of the LEP's Assurance Framework the Scrutiny Committee of the accountable body requested that it be kept informed of the work of the LEP. Graham Cowley, supported by officers of the accountable body, made a presentation to this Committee in September 2015. The presentation focused on the progress of the LEP's key initiatives and was well received by the Members, who requested that a future presentation be made by the Homes and Communities Agency on its work across Lancashire.

Resolved: The Board:

- (i) Considered and endorsed the risk register and core risk matrix, as attached at Appendix 'A' to the report;
- (ii) Noted the presentation made to the Scrutiny Committee of the LEP's accountable body, Lancashire County Council;
- (iii) Requested that the Performance Committee, on behalf of the Board and supported by the relevant officers of the accountable body, oversee the audit by the Government Internal Audit Agency; and
- (iv) Requested that a work programme for the Performance Committee be presented to the LEP Board at its December meeting.

10. Transport for the North and Lancashire Strategic Transport Prospectus Update

Dave Colbert, Specialist Advisor Transportation, Lancashire County Council presented a report (circulated) which provided the Board with an update on Transport for the North and an updated version of the Lancashire Strategic Transport Prospectus.

It was reported that the Transport for the North agenda has developed significantly since the last update provided to the Board. In the Summer Budget 2015 presented to the House of Commons by the Chancellor of the Exchequer on 8th July, the Government announced its intention to establish Transport for the North (TfN) as a statutory body with statutory duties to set out its transport policies and investment priorities in a long term transport strategy for the North, underpinned by £30m of additional funding over three years to support TfN's running costs and enable TfN to take forward its work programme. An update on the interim Northern Transport Strategy, published on 20th March 2015, will be available by Budget 2016.

A key issue to date with Transport for the North has been its focus on the North's five city regions (Leeds, Liverpool, Manchester, Newcastle and Sheffield) and

Hull and connectivity between them, set within the context of the Northern Powerhouse. TfN has now acknowledged that it does not yet reflect the full and inclusive governance arrangements in support of its purpose to act as a genuine representative body for the whole of the North of England. The TfN Partnership Board has therefore agreed to extend its membership to include representatives from northern sub-regional partnerships not currently represented. County Councillor Jennifer Mein, Leader of Lancashire County Council and the Chair of Transport for Lancashire, has been nominated to represent Lancashire and Cumbria on the TfN Partnership Board, alongside George Beveridge, Chair of the Cumbria Local Enterprise Partnership.

A scoping event was held in Leeds on 23rd June at which the Lancashire Strategic Transport Prospectus and Lancashire's joint approach to integrated transport planning through the suite of five highways and transport masterplans were presented.

The Lancashire Strategic Transport Prospectus has now been further revised to take account of the GVA / productivity implications of the interventions contained therein. At its meeting on 1st October 2015, the Transport for Lancashire committee received a revised draft and welcomed it as a significant improvement over previous versions.

Resolved: The LEP Board:

- (i) Noted progress to date in preparing the Strategic Transport Prospectus as attached at Appendix 'A' to the circulated report;
- (ii) Authorised the Chair of the Board and the Chair of Transport for Lancashire to receive and approve the final version of the prospectus; and
- (iii) Requested that Transport for Lancashire prepare a communications strategy for the Strategic Transport Prospectus through which to engage with wider stakeholders including Members of Parliament, Transport for the North and neighbouring Local Enterprise Partnerships and local transport authorities.
- (iv) Requested that Transport for Lancashire prepare a communications strategy for the Strategic Transport Prospectus through which to engage with wider stakeholders including Members of Parliament, Transport for the North and neighbouring Local Enterprise Partnerships and local transport authorities.

11. Update on Devolution and Combined Authority Developments

County Councillor Jennifer Mein, Leader of Lancashire County Council, gave an update on devolution and Combined Authority developments.

It was reported that the Lancashire Councils are continuing to work together to determine the best approach to devolution and what functions and powers any

suggested Combined Authority would seek to request from Government.

The LEP Board commented that the Combined Authority should seek to maximise devolution and supported the concept of more local control.

Resolved: The LEP Board noted and supported the progress made on devolution and Combined Authority discussions.

12. LEP Board Re-Purposing Event

The Chairman, Edwin Booth, advised the Board that he had been in discussions with Kevin Roberts from Saatchi and Saatchi Worldwide regarding support for a LEP Re-Purposing Event to which all LEP Directors would be invited.

It was agreed that a date be identified, in January 2016, to hold the all day event, with this communicated to the LEP Directors via the Company Services Team.

Resolved: The Board noted and supported the suggestion of arranging a LEP Re-Purposing Event to be held in January 2016.

13. European Structural & Investment Funding - Pipeline Development and Project Calls

Martin Kelly, Director of Economic Development, Lancashire County Council presented a report (circulated) regarding European Structural & Investment Funding – Pipeline Development and Project Calls.

The report set out the latest position on the development of Lancashire's European Structural and Investment Funds (ESIF) Strategy, in particular

- Operational Programme and Lancashire ESIF Strategy Approval
- Future organisation of the Lancashire ESIF partnership
- Project calls/launches
- Project pipeline development

Resolved: The LEP Board noted the progress set out in the report and the on-going delays in developing new Financial Engineering Instruments.

15. Date of Next Meeting

It was noted that that a Special LEP Board meeting would be arranged at the end of October 2015, primarily to receive a presentation regarding the Marketing Strategy work commissioned by the LEP.

Part II (Private and Confidential)

14. Any Other Business

At this point the LEP Board approved that the meeting move into Part II, Private and Confidential to consider the remaining items which contained exempt information provided in confidence as defined in the Freedom of Information Act 2000. 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.

Proposed Supply Chain Study

The Board considered a proposal that Board commission a supply chain study.

Three LEP Directors - Edwin Booth, Malcolm McVicar and Richard Evans declared conflicts of interest in relation to this item which were recorded.

Resolved: The Board requested the Company Secretary to consider whether there were any legal or procedural barriers that would prevent the Board from agreeing to the proposal and to report back at a future meeting

16. Growing Places Investment Decision - Hinduja Global Solutions

tin Kelly presented a report (circulated as Part II) regarding the Growing Places Fund (GPF) which provided a position statement and proposed loan facility for Hinduja Global Solutions UK Ltd

Resolved: Following consideration of the report, the LEP Board:

- (i) Requested that the Director of Economic Development, Lancashire County Council submit a further report to the December 2015 meeting of the Board detailing the economic and financial performance and achievements of the current GPF investment portfolio; consider any changes to GPF investment criteria; an assessment of current pipeline prospects and opportunities to link with other key investment funds; along with outline proposals for consideration on the future deployment of this Fund.
- (ii) Approved, in principle, a GPF investment loan as presented in support of the expansion plans of Hinduja Global Solutions UK Ltd in Preston, subject to the terms and conditions set out in paragraph 3.1 of the Part II report.
- (iii) Delegated responsibility for approving the final funding agreement with Hinduja Global Solutions UK Ltd, in accordance with agreed terms and conditions set out in the Part II report, to the LEP's Executive Committee.

17. Hillhouse International Enterprise Zone Submission - For Information

Resolved: The LEP Board noted the final Hillhouse International Enterprise Zone Submission which was included in the agenda papers for information.