

LEP - Growth Deal Management Board

Minutes of the Meeting held on Tuesday, 8th September, 2015 at 2.30pm Cabinet Room 'B' - The Diamond Jubilee Room, County Hall, Preston.

Present:

Mr G Cowley (Chair)

Mr B Bailey
Mr A Cavill
Dr Lawty-Jones
Mrs S Procter

Mr G Smith
Professor R Walsh
Ms J Whittaker

In Attendance:

Mr A Good – Head of Service Financial Management (Development and Schools) LCC

Mr R Hothersall - Head of Service, Programme Office, LCC.

Mrs A Moore - Programme Manager, Programme Office, LCC.

Miss J Ainsworth - Subject Matter Expert/Specialist Adviser Finance, Programme Office, LCC.

Mr A Swain - Media Manager, LCC.

Mrs B Joyce - Head of Strategic Development, LCC.

Mr J Holden Ross – Legal Services, LCC.

Mr M Neville, Company Services Team, Democratic Services, LCC.

1. Welcome and Apologies for Absence

The Chairman welcomed everyone to the meeting and noted that no apologies had been received.

2. Declarations of Interest

Mr Neville referred to the discussion at the previous meeting and the acknowledgment by the Committee for all decision making in connection with applications for Growth Deal Funding to be conducted in an open and transparent manner. He added that whilst it was recognised that individual members brought valuable knowledge/experience to the Board it was for them to declare any conflict of interests they may have in relation to specific items of business on the agenda and where appropriate exclude themselves from any discussion/decision making associated with that item.

It was noted that members of the Board had been sent a form to complete regarding interests which would assist with the identification/clarification of potential conflicts of interest for members.

Resolved:

1. No declarations were made in respect of items appearing on the agenda.

2. That the requirement for individual members to declare their interests is noted.

3. Minutes of the meeting held on the 5th August 2015

Resolved: That the Minutes of the meeting held on the 5th August 2015 are confirmed as an accurate record and signed by the Chair.

4. Monitoring and Evaluation Sub Group - Update.

Mr Hothersall presented his report and informed the meeting that as the accountable body the County Council was undertaking project monitoring as part of the process for approval of financial claims and would continue to do so as future growth deal projects commenced.

With regard to evaluation it was reported that an external consultant would be sought to undertake a standard level of evaluation of all growth deal projects together with a more in depth evaluation of a small number of projects (exemplars) and an overall evaluation of the Growth Deal Programme. A previous version of the invitation to tender (ITT) had been redrafted to reflect the revised approach and it was noted that once the external consultant had been appointed links with the Monitoring and Evaluation Sub Group would be established.

Further to the discussions at the last meeting regarding the HM Treasury AQUA Book it was reported that the guidance had been incorporated into the ITT particularly in relation to the adoption of some of the principles around ensuring compliance with the analysis of evaluation and reporting.

Mr Hothersall informed the meeting that the ITT would be published on the 14th September 2015

Resolved: That the report is noted.

5. Skills Capital Fund - Round 2 Investment (2016-2017)

Dr Lawty-Jones circulated a paper at the meeting regarding the revised timetable for Growth Deal Skills Capital Round 2 which had been agreed with the Skills Funding Agency. A copy of the paper is set out in the Minute Book.

It was reported that there was £12 million spend available which had been brought forward into 2016/17 with the intention of allocating the majority of funding during that year with any unallocated funding being addressed in 2017/18.

The Committee noted that the revised timetable provided for applicants to submit either an Expression of Interest (EOI) only or an EOI with a business case and those EOIs that were accompanied by a business case would be 'fast tracked'

through the process. In considering the report the Committee agreed that it would be advisable to incentivise applicants to submit bids early in order to allocate the majority of funding in 2016/17 though it was acknowledged care would need to be taken to ensure that a high quality of projects was maintained.

It was noted that the Growth Deal Skills Capital Round 2 would be formally launched on the 14th September 2015.

Resolved:

1. That publicity associated with Round 2 of the Growth Deal Skills Capital Funding make it clear that applications can be made for 2016/17 and 2017/18 and that those EOI accompanied by a business case would be fast tracked through the process.
2. That applications submitted in relation to 2016/17 be treated as a priority and those for 2017/18 be used to develop a pipeline of future projects.

6. Social Value.

A report was presented in response to the request at the last meeting for further information on how best to identify/capture social impacts and ensure they are taken into account in future decision making in accordance with the requirements of the Public Services (Social Value) Act 2012.

The Committee noted that initially it would be necessary to agree a Lancashire based definition of social value in order that priority areas/benefits could be identified and integrated into procurement processes. It was reported that a number of examples of good practice across the country had already been identified and would be taken into consideration when developing an approach for Lancashire.

In considering the report the Committee noted that the current focus was on addressing social value through youth employment and the promotion of job opportunities for the long term unemployed. However, it was acknowledged that in the future attention would focus on identifying projects which cut across a variety of areas including arts/culture, the over 50s and NEETS.

It was noted that a similar report, including any comments from the Committee, would be presented to the Lancashire Skills Board on the 10th September 2015.

Resolved:

1. That further research be undertaken into approaches in other sub-regions and in relation to identifying examples of good practice.
2. That further discussion is undertaken with relevant teams in Lancashire County Council, including the Programme Office, in order to understand the current position.

3. That a report be taken to the next Lancashire Skills Board raising awareness of the Social Value Act and suggesting that the Board take the strategic lead in articulating the potential outcomes and benefits, aligning outcomes with the evolving Lancashire Skills and Employment Framework.
4. That a further report be brought to the next Growth Deal Management Board on the 21st October 2015 to provide an up-date on progress.

7. Communications.

Mr Swain reported that the 30 Growth Deal projects had been requested to produce a communications strategy and associated action plan and whilst some had produced a full strategy/plan others required further work.

It was noted that projects would take responsibility for their own communications, though there would be an opportunity for the LEP to be involved in certain communications where it was felt there would be some added value. Mr Swain informed the meeting that in the future a report would be presented to update the Committee on the progress for each project. In response to a suggestion that the three separate documents required initially, namely a strategy, an overall action plan and an update report, may be confusing for some applicants Mr Swain undertook to check feedback received to date in order to clarify whether this was a factor in some of the outstanding responses.

Resolved:

1. That the update regarding the production of a communications strategy/action plan by individual Growth Deal projects is noted and a copy of the current report circulated to members of the Committee outside of the meeting.
2. That further update reports are presented to future meetings on a quarterly basis.

8. Reporting to Lancashire Enterprise Partnership Board

It was agreed that the following items would be referred to the LEP Board for consideration/approval as appropriate.

- The publication of the final Invitation to Tender to undertake work associated with the monitoring and Evaluation Framework.
- The decision of the Committee regarding further action in connection with social value together with any decision from the Lancashire skills board on the 10th September 2015.
- Information regarding Blackburn with Darwen Borough Councils Growth and Development Pipeline.

- The Financial update set out at item 14 on the agenda
- The update regarding Blackpool and the Fylde College – Lancashire Energy HQ set out at item 15 on the agenda.

9. Any Other Business

There were no items of business under this heading.

10. Date of Next Meeting

It was noted that the next scheduled meeting would be held at 12.30pm on the 21st October 2015 in Cabinet Room 'C' at County Hall, Preston.

Part II (Private and Confidential).

11. Blackburn Pipeline Projects - presentation.

Not for publication – exempt information as defined in paragraph 41 (Information provided in confidence relating to contracts) of the Freedom of Information Act 2000. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information).

Mr Bailey gave a presentation on the Growth and Development Pipeline which had been developed by Blackburn with Darwen Borough Council.

In considering the presentation the Committee noted that the process which had been developed involved a robust business case methodology which ensured potential projects were prioritised and had had incentivised the development of a range of projects which would ultimately generate future income for the authority.

The Chair thanked Mr Bailey on behalf of the Committee for his informative presentation.

Resolved: That the presentation on the Growth and Development Pipeline developed by Blackburn with Darwen Borough Council is noted and that a copy of the presentation be circulated to the members of the Committee outside of the meeting.

12. Growth Deal Implementation Plan

Not for publication – exempt information as defined in paragraph 41 (Information provided in confidence relating to contracts) of the Freedom of Information Act 2000. It is considered that in all the circumstances of the case the public interest

in maintaining the exemption outweighs the public interest in disclosing the information).

Mrs Moore informed the Committee that the Growth Deal Implementation Plan was a strategic document that would both track and evidence progress of individual projects and highlight any issues which may require intervention/attention. A copy of the current version of the Plan (dated August 2015) was presented.

In response to a query Mrs Moore confirmed that the document would be updated to include a number of Blackpool projects in section 7 'Overview of Progress – by Project'. She also reported that the quarter in which a project concluded, as reflected in the Plan, related to the quarter in which a final claim for payment would be received and actioned and undertook to add a narrative within the document to ensure that was clear.

Resolved: That, subject to the following amendments, the Growth Deal Implementation document, as presented, is approved.

- a) Details of a number of projects in Blackpool being included in section 7 'Overview of Progress – by Project'.
- b) The addition of an explanatory narrative regarding project completion dates and financial draw down completion dates be inserted into the document to provide clarity.

13. Local Growth Fund Agreements.

Not for publication – exempt information as defined in paragraph 41 (Information provided in confidence relating to contracts) of the Freedom of Information Act 2000. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information).

Mrs Moore presented an updated version of the Local Growth Fund Agreement schedule which highlighted that an Agreement was in place for project GF01-18-S. She also reported that recently core funding agreements had been finalised in relation to project GF01-19-S and GF01-03.

Mrs Joyce also informed the meeting that the anticipated date to projects GF01-01 GF02-27 and GF01-11 to be submitted to the LEP Board for approval had been revised from October to December 2015.

Resolved:

1. That the LGF Agreement approval templates in respect of projects GF01-18-S, GF01-19-S and GF01-03.
2. That the report and updates are noted.

14. Growth Deal Finance Summary.

Not for publication – exempt information as defined in paragraph 41 (Information provided in confidence relating to contracts) of the Freedom of Information Act 2000. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information).

Miss Ainsworth presented a report to update the Committee in relation to the financial aspects of the Local Growth Fund.

Details of the Growth Fund Profile were presented as Appendix 'A' to the report and it was reported that the current spend to date on projects in 2015/16 had been £0.528m of a total fund received of £39.35m which needed to be spent in year and would be reported quarterly to DCLG. It was noted that the return for quarter 1 was in line with the profile and projects should be encouraged to keep on track to ensure future quarters are as predicted.

The Committee was informed of the temporary movement of funds within the profile of City Deal projects, as agreed at the last meeting, so that in year spend for the whole growth deal programme would not be compromised and the total funds paid from Growth Deal to City Deal remained at the agreed level over the life of the City Deal.

It was reported that expenditure on projects GF02-26 and GF02-27 had been pulled back to 2016/17 from information submitted after the current report was produced and these changes would be reflected in the finance report at the next meeting.

Resolved:

1. That the Growth Fund Profile, as set out in Appendix 'A' to the report presented be accepted following the adjustments made from the last meeting.
2. That both the spend to date and the spend to be made in 2015-16 are noted.
3. That the 2015-16 in year spend be balanced in accordance with the City Deal project funding set out in report presented.
4. That the Lancashire Skills Board be requested to consider the future unallocated skills programme of £12.63m which is required to be spent in 2016/17 and identify suitable projects for funding. Should the 'best' projects require 2017/18 or later funding that these are not ruled out and brought to the Growth Deal Management Board for consideration along with the whole

programme position.

15. Blackpool and Fylde College .

Not for publication – exempt information as defined in paragraph 41 (Information provided in confidence relating to contracts) of the Freedom of Information Act 2000. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information).

Mrs Joyce circulated a report at the meeting regarding project GF01-13-S in response to concerns raised at the last meeting regarding the significance of variations between the original project and the proposed alternative location.

The Committee considered the reasoning behind the relocation of the scheme to another site together with the benefits and impacts associated with the new location and noted that the SFA had asked to reassess the revised Estate Needs and Finance Section of the business case. It was noted that the SFA assessment of the scheme would be presented to the LEP board for approval in October 2015.

Resolved:

1. That the Committee note -
 - a) the variance between the milestones in the approved business case and those which will be achieved on the relocated site, as set out in the report presented.
 - b) that the outputs and outcomes set out in the approved business case remain unchanged;
 - c) that the Skills Funding Agency are undertaking an independent appraisal of the Estate Needs and Finance section of the business case;
 - d) that the revised funding profile can be accommodated through the City Deal balancing mechanism already agreed by the Committee
2. That Officers continue to discuss abortive project costs with the project sponsor.
3. That a report be presented to the next meeting of the Committee in order to review progress and determine, if appropriate, any further action that needs to be undertaken.