

LEP - Growth Deal Management Board

Minutes of the Meeting held on Tuesday, 8th December, 2015 at 12.30 pm at the Cabinet Room 'C' - The Duke of Lancaster Room, County Hall, Preston

Present

Graham Cowley (Chairman)

Brian Bailey

Alan Cavill

Dr Michele Lawty-Jones

Sue Procter

Gareth Smith

Professor Robert Walsh

Julie Whittaker

In Attendance

Nic Adams, Project Manager, Lancashire County Council

Joanne Ainsworth, Subject Matter Expert / Specialist Advisor Finance, Lancashire County Council

Richard Hothersall, Head of Service Programme Office, Lancashire County Council

Julia Johnson, Subject Matter Expert / Specialist Advisor Legal, Lancashire County Council

Andy Milroy, Company Services Officer, Lancashire County Council

Kathryn Molloy, Head of Service LEP Coordination, Lancashire County Council

Alison Moore, Programme Manager, Lancashire County Council

Andy Swain, Media Manager, Lancashire County Council

1. **Welcome and Apologies for Absence**

The Chairman welcomed all to the meeting. There were no apologies for absence.

2. **Declarations of Interest**

There were no specific declarations of interest made in relation to the agenda items.

3. **Minutes of the meeting held on 21st October 2015**

Resolved: The minutes of the meeting held on 21st October 2015 were approved as an accurate record and duly signed by the Chairman.

4. **Matters Arising**

Under matters arising, with regard to the Growth Deal Skills Capital funding it was noted that Myerscough College had been invited to re-submit a bid under Round 2 of the funding. The second round was launched on 14th September 2015 and Expressions of Interest (EOIs) were sought by 2nd November 2015 to allocate the remaining £12.6m of Skills Capital funds.

It was reported that 10 applications had been received with a total of £8.9m worth of submissions recommended for approval with £3.6m remaining unallocated. It was proposed that some of the remaining unallocated funds be used to fund an Area Review from April to September 2016. It was noted that a report on the Growth Deal Skills Capital Round 2 applications was to be considered by the Lancashire Skills and Employment Board at their meeting to be held on 10th December 2015, with recommendations from the Skills and Employment Board subsequently submitted to the LEP Board for approval at its meeting to be held on 15th December 2015.

5. Quarterly Communications Activity Update - December 2015

Andy Swain, Media Manager, Lancashire County Council presented a report (circulated) which provided the Growth Deal Management Board with a Quarterly Communications Activity Update as at the end of November 2015.

It was reported that good progress had been made with some gaps due to delays in project contacts sending relevant information to the Communications Team.

In addition, it was reported that following the LEP Board's decision to commission Marketing Lancashire to undertake a marketing programme for the LEP and its related committees, work with the appointed consultants SKV had begun.

The Board discussed the current position with regard Communication and requested that a regular report itemising each LEP press statement that relates to Growth Deal scheme be presented to the Board. In addition it was agreed that three statements be produced for each of the Growth Deal projects containing details around the start, middle and end of each project.

Resolved: That:

- (i) The Quarterly Communications Activity Update report be noted.
- (ii) That a regular report itemising each LEP press statement relating to Growth Deal schemes be presented to future Board meetings; and
- (iii) That three statements be produced for each of the Growth Deal projects as stated above.

6. Social Value

Dr Michele Lawty-Jones, LEP Skills Hub Director, Lancashire County Council presented a report (circulated) regarding the activities of the Social Value Working Group and gave a presentation to the Growth Deal Management Board

(GDMB) on the draft Social Value Framework.

The GDMB was reminded that at its meeting on 21 October 2015 it was agreed to produce a “Toolkit for Wider Economic and Social Benefits for Growth Deal Projects in Lancashire. In order to do this the GDMB decided to establish a small working group to include: Graham Cowley, Dr Michele Lawty-Jones, Richard Hothersall, Alison Moore and Martine Winder.

Additionally, it was agreed that the Monitoring and Evaluation Sub-Group should be tasked with undertaking a series of activities.

It was reported that the Monitoring and Evaluation Sub-Group had made the progress in relation to the Growth Deal Benefits Schedule, Monitoring Wider Economic Benefits of Projects, ITT Specification and Benefits Realisation Plans as set out in the report.

In addition, the Social Value Working Group met for the first time on 27th November 2015 and a review of the toolkits that are being utilised by other organisations was undertaken in order to inform the development of a toolkit.

A draft toolkit / Social Value Framework, having been developed, was tabled at the meeting for consideration with a view to further work being undertaken in light of any comments provided by the Board.

Resolved: The GDMB noted the report and presentation, acknowledged the work undertaken to develop the draft toolkit / Social Value Framework as tabled and confirmed that the Social Value Working Group should reconvene to undertake further work required. In addition it was agreed that Alison Moore would incorporate all social and economic outcomes on the GDMB implementation plan schedule.

7. Growth Deal - Final Investment Approvals (GF01-22-CD, GF01-09, GF01-05-CD)

Alison Moore presented a report (circulated) that provided an update on the Growth Deal Final Investment Approvals – specifically for projects GF01-22-CD – Broughton By-Pass, GF01-09 – Blackpool Integrated Traffic Management and GF01-05-CD – Preston City Centre Improvements.

In relation to GF01-09 Blackpool Integrated Traffic Management it was reported that the design of the scheme will not be complete until January 2016, therefore it is not possible to obtain the tendering costs which were made a condition of the LEP Board approval previously given.

It is anticipated that this project will now slip into a 2016/17 start date.

The updates presented regarding the Broughton By-Pass and Preston City Centre Improvement schemes were noted as set out.

Resolved: That the GDMB noted the report and requested that the Scheme Sponsor for the Blackpool Integrated Traffic Management Scheme provide a formal update on progress made on the scheme at a future GDMB meeting.

8. Growth Deal Monitoring & Evaluation Sub Group Update

Richard Hothersall, Head of Service Programme Office, Lancashire County Council presented a report (circulated) which provided updates on the Growth Deal Monitoring and Growth Deal Evaluation.

Resolved: The GDMB noted the report as presented.

Part II

The following items were considered in Part II (Private and Confidential) as they contained exempt information 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 outweighs the public interest in disclosing the information).

9. Growth Deal Progress Report

Kathryn Molloy, Head of Service LEP Coordination, Lancashire County Council presented a report (circulated) regarding progress on the Growth Deal.

It was reported that six schemes were proposed to seek LEP Board approval on the 15th December 2015.

The six schemes are:

- GF02-29 Engineering and Innovation Campus, UCLan;
- GF01-01 Burnley-Pendle Growth Corridor;
- GF02-28 Burnley Vision Park;
- GF01-11 Lancaster Health Innovation Park;
- GF02-26 Rawtenstall Redevelopment Zone; and
- GF02-27 Redevelopment of Brierfield Mill;

Following discussions with schemes sponsors, only one of the six schemes will be submitted to the LEP Board for approval on the 15th December 2015. It is proposed that the remaining five schemes will be submitted for LEP Board approval either at a special meeting of the Board in January or at the 2nd February 2016 meeting.

The scheme seeking LEP Board approval in December 2015 is GF01-01 Burnley-Pendle Growth Corridor. It was reported that no issues have come back on this scheme following the independent assessments.

With regard to the five outstanding schemes that are not to be presented to the LEP Board in December 2015 it was reported that these schemes will be

presented to the LEP Board in either January or February 2016. The Chairman requested that all business cases and final assessments be submitted to the GDMB prior to submission to the LEP Board when they are available. The GDMB endorsed this recommendation.

With regard the M55 Heyhouses Link Road Scheme, it was reported that following discussions it has been agreed by all parties that the scheme should be accelerated. In order to do this it was suggested that the drawdown of Growth Deal funding for the scheme be changed by way of a variation, which would now be drawn down not in proportion to the other funding contributions within the scheme. If agreed, appropriate security and clawback mechanisms would form part of any Grant Funding or Commercial Agreement.

Following consideration of the proposal the GDMB agreed to the variation in the Growth Deal funding for the M55 Heyhouses Link Road Scheme.

Resolved: The GDMB:

- (i) noted the Growth Deal scheme seeking approval from the LEP Board on the 15th December 2015;
- (ii) In relation to the M55 Heyhouses Link Road Scheme, the GDMB approved the proposal to vary the drawdown of Growth Deal funds and recommend such a variation be considered by the LEP Board at its meeting on the 15th December 2015, subject to the outcome of the meeting with the scheme sponsor and key stakeholders on the 10th December 2015.
- (iii) Noted the announcements made by the Chancellor in relation to future funding via the Local Growth Fund and other nationally competitive challenge funds as set out in the report; and
- (iv) Requested that all business cases and final assessments be submitted to the GDMB prior to submission to the LEP Board when they are available.

10. Monitoring and Evaluation Sub Group: Framework Agreement for Lancashire Growth Deal Evaluation Plan Arrangements

Richard Hothersall presented a report (circulated) regarding a Framework Agreement for Lancashire Growth Deal Evaluation Plan Arrangements.

It was reported that, following a compliant procurement exercise, the GDMB was recommended to endorse the award of the framework contract to Warwick Economic & Development Ltd, for a period of three years commencing 4 April 2016, with the option to extend for a further 12 months up to 31 March 2020 for approval by the LEP Board on 15th December 2015.

Resolved: The GDMB endorsed the award of the framework contract to Warwick Economic & Development Ltd, for a period of three years commencing 4 April 2016, with the option to extend for a further 12 months up to 31 March 2020 for

approval by the LEP Board on 15th December 2015.

11. Growth Deal Finance Summary

Joanne Ainsworth, Subject Matter Expert / Specialist Advisor Finance, Lancashire County Council presented a report (circulated) which provided a Growth Deal Finance Summary.

It was reported that currently the spend to date on projects to end of October 2015 has been £8.81m of a total fund received of £39.35m which needs to be spent in year and reported quarterly to the Department for Communities and Local Government (DCLG).

Currently only 4 projects are drawing down funds. There are 17 projects with spend due in 2015-16 of these 4 have growth fund agreements signed and are due to claim next quarter, some of these have been spending at risk and the first claim will be a catch up to date; a further 5 in process of signature/ agreement, and 1 is awaiting discharge of conditions and that is spending at risk. It is expected that the profile of spend per quarter will be as reported to DCLG which was:

Qtr. 1 to June 15	£ 0.40m (agreed with payments to June)
Qtr. 2 to Sept 15	£ 15.04m
Qtr. 3 to Dec 15	£ 11.27m
<u>Qtr. 4 to March 16</u>	<u>£ 12.65m</u>
Total	£ 39.36m

It was agreed by the GDMB that project sponsors should be encouraged to actively manage the projects to remain on track as slippage may cause claw back and this should be avoided.

Resolved: The GDMB:

- (i) Approved that the Growth Fund Profile be accepted following adjustments from the last meeting.
- (ii) Noted both the spend to date and spend to be made in 2015/16.
- (iii) Agreed that the 2015/16 in year spend be balanced to the funding as per the report.
- (iv) Approved that the future unallocated skills programme of £12.63m needs to have projects identified to support this. (cf3 from previous meetings).
- (v) Requested that consideration is given to the profiling of funding for projects being as accurate as possible at initial stages of project development.
- (vi) Requested that a list of pipeline projects to be identified for both mopping up any underspends in growth deal and large projects to be ready for Growth

Deal 2 if announced as part of the Comprehensive Spending Review (CSR).

12. M55 to St Annes Link Road - GF01-06

This item was approved as part of Item 9 – Growth Deal Progress Report.

13. Developing the strategic context for The Engineering and Innovation Centre UCLAN - GF02-29

Professor Robert Walsh, UCLAN, gave a verbal report on developing the strategic context for the Engineering and Innovation Centre at UCLAN (Project reference: GF02-29)

It was reported that the project was developing in two themes – pathways engineering and private providers. There is a piece of work to be done to engage with the market and determine the requirements of the Engineering and Innovation Centre.

It was suggested that Professor Walsh picks up this piece of work with the Economic Development Team at Lancashire County Council. It was agreed that Michele Lawty-Jones would liaise with the Economic Development Team and Professor Walsh.

Resolved: That the update on the Engineering and Innovation Centre at UCLAN be noted.

14. Local Growth Fund Agreements.

Alison Moore presented a report (circulated) regarding Local Growth Fund Arrangements.

The Growth Fund Agreement Approval Forms were tabled in relation to the following projects:-

GF01-04 - Centenary Way Viaduct Maintenance
GF01-07 - East Lancashire Strategic Cycle Network

It was explained that rather than having Growth Fund Agreements these projects have Memorandums of Understanding. This is because they are Lancashire County Council projects, and the accountable body cannot enter a legally binding arrangement with itself.

Resolved: The GDMB:

- (i) Considered and noted the update in relation to LGF Agreements, contained within the report, and;

(ii) Approved the completed LGF Agreement Approval Templates as tabled.

15. Growth Deal Implementation

Alison Moore presented a report (circulated) which contained an update on the Growth Deal Implementation Plan.

Resolved: The GDMB noted the updated Growth Deal Implementation Plan as presented.

Part I

At this point the meeting returned to Part I (items publicly available)

16. Reporting to Lancashire Enterprise Partnership Board

It was agreed that the Framework Agreement for Lancashire Growth Deal Evaluation Plans and Growth Deal items be referred as appropriate, to the LEP Board for approval.

17. Any Other Business

None

18. Date of Next Meeting

It was noted that the next meeting of the GDMB was scheduled to be held at 1.30pm, 18th January 2016 in Cabinet Room D – The Henry Bolingbroke Room, County Hall, Preston.