

## **LEP - Growth Deal Management Board**

**Minutes of the Meeting held on Wednesday, 21st October, 2015 at 12.30pm in Cabinet Room 'C' - The Duke of Lancaster Room, County Hall, Preston.**

### **Present:**

Mr G Cowley (Chairman)

Dr M Lawty-Jones  
Mrs S Procter

Mr G Smith  
Professor R Walsh

### **Observer**

Mr M Allen, Assistant Director – Lancashire, BIS North West, Cities and Local Growth Unit.

### **Also in Attendance**

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

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

Ms N Adams - Project Manager, Programme Office, LCC.

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

Mrs J Johnson Subject Matter Expert/Specialist Adviser Legal, Programme Office LCC.

Mr D Colbert - Subject Matter Expert/Specialist Adviser Transportation, Programme Office, LCC

Mr N Stevens, Highways Development Control Manager, LCC.

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

### **1. Welcome and Apologies for Absence**

The Chairman welcomed everyone to the meeting. It was reported that apologies for absence had been received from Mr B Bailey, Mr A Cavill, Ms J Whittaker and Mrs B Joyce, the Head of Strategic Development at the County Council.

### **2. Declarations of Interest**

Professor Walsh informed the meeting that Myerscough College was an Associate School of UCLan but he was not directly involved in the project outlined at item 16 on the agenda. He added that he lived in Barton, the next village to Broughton and was a Governor at Broughton High School.

### **3. Minutes of the meeting held on the 8th September 2015**

**Resolved:** That the Minutes of the meeting held on the 8<sup>th</sup> September 2015 are confirmed as an accurate record and signed by the Chairman.

#### 4. M55 to St Annes Link Road - Project GF01-06

The Chairman informed the meeting that in order that Mr Stevens could present his report and then leave the meeting he would take item 15 as the next item of business. As item 15 contained confidential information the meeting then moved into Part II

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Mr Stevens informed the meeting that negotiations between the County Council and the developer in relation to the key principles associated with the scheme were ongoing. The implications of a delay in terms of the allocated Growth Deal Funding were discussed and it was noted that the potential involvement of a separate developer was to be explored with a view to enabling the Link Road scheme to progress.

It was proposed that the Committee receive an update report in January to clarify what if any progress had been made towards implementing the project so that if appropriate consideration can be given to the reallocation of the Growth Deal funding.

#### **Resolved:**

1. That the current position regarding Project GF01-06 is noted.
2. That an update report on the Project be presented to the meeting in January 2016 in order that the Committee can consider programme implications and explore appropriate options in relation to moving forward.

Mr Stevens left the meeting at this point

#### 5. Monitoring and Evaluation Sub Group Update

Mr Hothersall informed the meeting that the Invitation to Tender for the Evaluation of the Growth Deal Projects had been issued with the following timescale.

<b>Event</b>	<b>Date</b>
Issue ITT	14 <sup>th</sup> September 2015
Deadline for receipt of clarifications	16 <sup>th</sup> October 2015 at 10am
Deadline for receipt of Tenders	23 <sup>rd</sup> October 2015 at 10am
Evaluation of Tenders	26 <sup>th</sup> October – 6 <sup>th</sup> November 2015
Clarification interviews (if required)	w/c 9 <sup>th</sup> November 2015
Internal Award approval	w/c 23 <sup>rd</sup> November 2015

Intention to award contract decision	27 <sup>th</sup> November 2015
"Standstill" period	From 27 <sup>th</sup> November 2015 to 8 <sup>th</sup> December 2015
Confirmation of Award	9 <sup>th</sup> December 2015
Contract start date/inception meeting	4 <sup>th</sup> April 2016

**Resolved:** That the report be noted.

## 6. Lancashire Skills and Employment Strategic Framework.

Dr Lawty-Jones gave a brief presentation in connection with the above and informed the meeting that the final draft of the Lancashire Skills and Employment Strategic Framework had been considered and endorsed by the LEP Board on the 6<sup>th</sup> October 2015 and would be the subject of consultation events in November.

In considering the report the Committee made the following comments in relation to the Framework.

- Whilst it was noted that FEIs/HEIs and CEIAG would be involved it was considered important that other organisations including schools and 6<sup>th</sup> forms were also engaged in order to ensure that a coordinated, comprehensive approach is adopted.
- The Framework should include clearly defined outcomes against which progress and results can be measured.
- Care should be taken to ensure that the Framework equally addresses issues across the whole workforce, including NEETs, Apprenticeships and Graduates.

In summary the Committee welcomed the final draft of the Framework and recognised that it would enable GDF project sponsors to align their skills and employment outcomes which would in turn inform the development of the GDMB's approach to social value.

**Resolved:** That the final draft of the Lancashire Skills and Employment Strategic Framework, as presented, together with the comments of the Committee as set out above are noted.

## 7. Growth Deal Projects - Maximising the Social Value Outcomes.

The Committee received an update regarding the process to be adopted by the Monitoring and Evaluation Sub Committee in relation to the monitoring/evaluation of the outputs and wider economic benefits of projects.

It was reported that monitoring would be undertaken by project sponsors and would, as far as possible, seek to guarantee the delivery of the project benefits

and wider benefits identified in the project business cases. However, in order to identify additional benefits (through the sharing of best practice with existing and new projects) it was proposed to develop a “Toolkit for Wider Economic and Social Benefits for Growth Deal Projects in Lancashire” which would be aligned with the emerging Lancashire Skills and Employment Framework.

The Committee welcomed the proposals outlined in the report which it was felt would not only help increase potential benefits from existing projects but would also assist with the development of business cases for future projects.

**Resolved:**

1. That the Monitoring and Evaluation Sub-Committee be requested to produce the Growth Deal Benefits Schedule and manage the monitoring and evaluation process as set out in section 1.3 of the report presented.
2. That the “Toolkit for Wider Economic and Social Benefits for Growth Deal Projects in Lancashire” be produced in the manner set out in section 1.4 of the report presented.
3. That a small working group comprising the Chairman, Mrs Moore (Programme Manager) Dr Lawty-Jones (Skills Hub Director) and Mr R Hothersall as Chair of the Sub-Committee be established to work on the Toolkit and align it with the Lancashire Skills and Employment Framework and take account of any similar work being done with other programmes eg. City Deal.
4. That a further report on the draft Toolkit be presented to the next meeting.

**8. Growth Deal - Final Investment Approvals.**

It was reported that in accordance with the LEP’s Assurance Framework proportionate business cases for all Growth Deal projects must be submitted by the project sponsor which would in turn be subject to an independent assessment, prior to a final investment decision by the LEP Board.

Details of the following three Growth Deal schemes, which had been considered and approved by the LEP Board on the 6<sup>th</sup> October 2015, were presented and it was noted that the Committee was required to ensure that any associated conditions were met and actions discharged in relation to the schemes as set out in the report.

- A6 Broughton Bypass
- Blackpool Integrated Traffic Management
- Preston City Centre improvements.

It was also reported that in order to ensure that there was a robust and methodical monitoring/evaluation of the projects it was recommended that the Monitoring and Evaluation Sub Group engage with the three project sponsors to ensure that there was clarity regarding metric collection and outcome evaluation

from the outset and that the Sub Group present an update at a future meeting of the Committee.

In accordance with the LEP decision LGF Agreements would be prepared for the three schemes with the agreements for A6 Broughton By-Pass and the Preston City Centre Improvements taking the form of a memorandum of understanding as the County Council as both project sponsor and accountable body could not “contract” with itself.

**Resolved:**

1. That the decisions of the LEP Board on the 6<sup>th</sup> October 2015 to grant full approval for A6 Broughton By-pass, Blackpool Integrated Traffic Management and Preston City Centre Improvements, subject to the conditions set out in the report presented, are noted.
2. That the decision of the LEP Board that the Committee ensure any conditions relating to the granting of full approval are fully met is noted;
3. That the decision of the LEP Board that the Committee ensure any actions advised by the independent scheme appraisers, are discharged is noted;
4. That the Monitoring and Evaluation Sub Group be requested to engage with the project sponsors for the three projects specified at 1 above to ensure that there is clarity regarding metric collection and outcome evaluation and present an update report to a future meeting.
5. That LGF Agreements (or equivalent) be prepared for the three approved schemes specified in 1 above in due course.

**9. Any Other Business**

There were no items of business raised under this heading.

**10. Date of Next Meeting**

It was noted that the next scheduled meeting would be held at 12.30pm on the 8<sup>th</sup> December 2015 in Cabinet Room 'C' – The Duke of Lancaster Room at County Hall, Preston.

**Part II (Private and Confidential)**

**11. Growth Fund Agreements - Deviations from Business Case**

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

Mrs Moore reminded the Committee of the established process for approval of Growth Deal Growth Funding Agreements which reflected whether there had been any changes/amendments to the standard core agreement but did not take account of any change in terms of outputs, outcomes, expenditure that might arise. As result it was proposed that the following principles be established in order to ensure consistency in future decision making and managing deviations from an approved business case.

Principle 1: The overall cost of the project is unchanged

Principle 2: The funding allocations to meet the cost are unchanged ie growth deal funding allocation and other funding requirements are unchanged

Principle 3: The outputs, outcomes, and impacts of the project are unchanged

Principle 4: The changes in heads of expenditure do not reflect a fundamental change in the nature of the project

Principle 5: The changes in heads of expenditure do not reflect a significant change in project delivery risk

A revised version of the existing GFA approval template was also presented.

**Resolved:** That the principles and revised template, as presented, are approved and applied to all Growth Funding Agreements with any identified deviations from the business case being reported to the Committee.

## **12. Local Growth Fund Agreements**

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Mrs Moore presented an updated version of the Local Growth Fund Agreement Schedule. Local Growth Fund Agreement Approval Templates were tabled in relation to four projects: GF01-13-S, GF01-14-S, GF01-15-S and GF01-16-S and it was reported that in developing the Agreements in relation to three of the projects monthly draw down of funding had been agreed, subject to monthly monitoring returns being submitted by the project sponsor.

It was noted that three projects mentioned earlier in the meeting had been approved by the LEP Board in October, subject to certain conditions, and would now be monitored by the Committee with a further five projects being put to the

Board in December for approval. With regard to project GF02-26 it was noted that the scheme would be submitted to the LEP Board in February 2016 for approval rather than December 2015 as set out in the report.

**Resolved:** That the updated position regarding Local Growth Fund Agreements is noted.

### 13. Growth Deal Implementation

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The Chairman presented an updated version of the Growth Deal Implementation document (dated 12<sup>th</sup> October 2015) and noted the progress to date in relation to projects.

A request was made for future iterations of the document to have any updated sections highlighted for ease of reference. Mrs Moore advised that the information that was subject to routine updating was contained within Section 4 (page 7) and Section 7 (pages 12-15). Any further amendments to the document would be commented on in the covering report.

**Resolved:** That the report is noted.

### 14. Myerscough College - Project GF01-17-S

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It was reported that the delay with the ESIF programme had meant an element of funding associated with Project GF01-17-S was unlikely to be secured and as a result the College was reviewing its options, which included the possible resubmission of the project as part of the Growth Deal Skills Capital Round 2 process.

In considering the report the Committee noted that possible options included reducing the scope of the scheme so that it reflected the level of funding secured in Round 1 or for the College to fund any shortfall itself. It was also suggested that private sector involvement in the project could be explored with a view to reducing the capital costs associated with the scheme and enable it to proceed using the funding secured.

**Resolved:**

1. That the Committee note the issue with regard to ERDF funding as set out in the report and note the intention to resubmit Project GF01-17-S to enable a re-appraisal of the project.
2. Note that a further report will be presented to the next meeting.

**15. Blackpool and The Fylde College - GF01-13-S**

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The Committee received an update report in relation to the revised Project GF01-13-S.

**Resolved:**

1. That the decision by the LEP Board on the 6<sup>th</sup> October 2015 to grant the final investment approval in relation to Project GF01-13-S is noted.
2. That the College is requested to
  - a) ensure the Growth Deal Programme Manager is informed of the outcome of the construction tender exercise; and
  - b) ensure that the Growth Deal Programme Manager is provided with the Heads of Terms between the land owner of the proposed new site and college once agreed.

**16. Growth Deal Finance Summary**

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The Committee received an update in relation to the financial aspects of the Local Growth Fund which included details of the spend to date and spend to be made during 2015/16. Details of movements within various projects were presented and it was noted that the Committee was aware of the four items identified as concerns on the risk register and would continue to monitor all projects in the future.



With regard to the potential underspend on skills projects it was suggested that all project sponsors be approached with a view to identifying any projects which could potentially be brought forward in order to ensure there were sufficient suitable projects to accommodate the available funding in 2015/16 and 2016/17.

**Resolved:**

1. That the Growth Fund Profile as presented be accepted following adjustments from the last meeting.
2. That both the spend to date and spend to be made in 2015/16 is noted.
3. That the 2015/16 in year spend be balanced to the funding as set out in the report presented.
4. That Officers explore potential projects which could be funded from the unallocated skills programme of £12.63m to be spent in 2016-17 (cfd2 from the previous meeting).
5. That consideration is given to the profiling of funding for projects to ensure they are as accurate as possible at initial stages of project development.

**17. Reporting to Lancashire Enterprise Partnership Board.**

**Resolved:** That the Financial update and risk register set out at item 13 on the agenda are reported to the LEP Board for information.