

LEP - Growth Deal Management Board

**Minutes of the Meeting held on Monday, 18th January, 2016 at 1.30 pm
at the Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall,
Preston.**

Present:

Mr G Cowley (Chair)

Mr B Bailey

Mr A Cavill

Ms Lawty-Jones

Mrs S Procter

Mr G Smith

Professor R Walsh

Ms J Whittaker

Observers

Mr M Allen – Department for Business, Energy and Industrial strategy.

In Attendance

Mrs A Moore, Programme Manager, Lancashire County Council.

Miss J Ainsworth, Subject Matter Expert / Specialist Advisor Finance, Lancashire County Council.

Ms K Molloy, Head of Service LEP Coordination, Lancashire County Council.

Mr M Neville, Company Services Team, Lancashire County Council.

Mr R Wallace and Mr P Thomas – UCLan.

Ms E Little - J L Advisory Consultants.

1. Welcome and Apologies for Absence

The Chair welcomed everyone to the meeting and noted that apologies had been received from Mr R Hothersall, Head of Service Programme Office, LCC, Ms J Johnson, Subject Matter Expert/Specialist Advisor Legal, LCC and Mr E Sutton, Director of Development and Corporate Services LCC.

It was also noted that Mr B Bailey would be attending the meeting but had been delayed.

2. Declarations of Interest

Professor Walsh, Mr G Smith and Ms J Whittaker all declared interests in relation to item 7 on the agenda as they represented organisations which were currently involved in making applications for Growth Deal Funding which would feature in the presentations.

The Chair informed the meeting that he would take item 7 as the next item of

business so that those individuals who were attending to give presentations could then leave the meeting.

Mr Bailey joined the meeting at this point.

3. Business Cases due for LEP Approval - Presentations.

As the presentations contained exempt information as defined in the Freedom of Information Act 2000 and it was considered that in the circumstances the public interest in maintaining the exemption outweighed the public interest in disclosing the information the meeting moved into Part II at this point.

Presentation 1 - GF02–29 The Engineering and Innovation Centre – UCLan.

Mr Wallace gave a brief presentation in relation to the development of a state of the art Engineering and Innovation Centre which was intended to be open in 2018 and formed part of the University's masterplan for the Preston Campus.

In considering the presentation the Committee acknowledged the need to ensure that the needs of businesses were aligned to the Centres activity and it was noted that that a Steering Group which included business representatives would help to provide opportunities for placements within their supply chains and assist with building the curriculum. Mr Thomas added that the University had an Engagement Officer who would visit schools and other institutions in order to encourage young people into a career in engineering.

In response to a query Mr Wallace confirmed that whilst the University had a relationship with local partner colleges it also maintained links with other institutions across the region.

At the end of the Q&A session Professor Walsh, Mr Wallace and Mr Thomas all left the meeting while the Committee considered the proposal. After discussing the project the Chair invited them back into the room and informed them that the Committee made the following recommendations for consideration before the project was presented to the LEP Board for approval.

- a) The level of engagement between the University and industry was welcomed and it was suggested that this should be emphasised in any report presented to the LEP Board. It was also suggested that reference be made to the global challenges facing business and how the Centre would address these together with details of how the proposed Centre would work with any Small, Medium sized Enterprises (SMEs) and how that would assist the Committee to monitor and evaluate outcomes/delivery.
- b) Evidence needs to be provided of the relationship between the University and other FEIs particularly in relation to the collaboration with engineering courses provided by the Lancaster/Sheffield Universities together with examples of the proposed synergy between the Centre and other facilities.

- c) Details of the timescale regarding securing the necessary planning permissions for both the Centre and the associated highway alterations should be provided in order to assure the LEP Board that implementation of the scheme will not be delayed.

The Chair thanked Mr Wallace and Mr Taylor for their presentation before they left the meeting.

Presentation 2 – GF02-27 Redevelopment of Brierfield Mill.

Mr Smith and Ms Little gave a detailed presentation on the Redevelopment of Brierfield Mill project which would regenerate the site of a former mill and provide residential/employment/education and leisure facilities.

Mr Smith informed the meeting that whilst there would be a number of different developments across the site a group had been established to ensure that all the different elements would work together eg people receiving education/training at one facility could be offered work placements at another part of the site.

It was reported that funding for the scheme would be from a variety of sources, the majority of which had been secured though it was recognised that the phased development would not commence on site until all necessary funding had been secured.

At the end of the Q&A session Mr Smith and Ms Little left the meeting while the Committee considered the proposal. After discussing the project the Chair invited them back into the room and reported that the Committee had made the following recommendations for consideration before the project was presented to the LEP Board for approval.

- a) That more detail be provided for the LEP Board in relation to the funding of the project and the financial breakdown of individual aspects of the scheme.
- b) Greater emphasis be placed on the proposed outcomes of the project with any additional information to be circulated to the members of the Growth Deal Management Board for information ahead of the LEP Board.
- c) That the project should be set in the context of regeneration activity within the Hyndburn, Burnley, Pendle Growth Corridor project.

Ms Little left the meeting at this point.

Presentation 3 - GF02-30 Making rooms – Lancashires First Fab Lab

Mr Bailey informed the meeting that the project would establish a venue within Lancashire that would provide rooms and a variety of equipment for use by local business/individuals who would not otherwise be able to access such facilities to enable them to develop products/ideas.

It was noted that some funding for the project had already been secured and that once established the intention was for the project to be sustainable through income generation via a café on site and the rental of rooms/equipment.

At the end of the Q&A session Mr Bailey left the room while the Committee considered the proposal. After discussing the project the Chair invited him back into the room and reported that the Committee had made the following recommendations for consideration before the project was presented to the LEP Board for approval.

- a) That more work be done to show how the proposed Fab Lab would coordinate and collaborate with other educational/training facilities across Lancashire in order to maximise the opportunities for use of the venue and equipment on offer.
- b) That the project sponsor explore the possibility of working with the University of Central Lancashire which is in the process of mapping the location and availability of equipment in the area for use by businesses/individuals.

Having considered all three presentations the meeting then returned to the Part I of the agenda (items publicly available).

4. Minutes of the meeting held on 8th December 2015

Resolved: That the Minutes of the meeting held on the 8th December 2016 are confirmed as an accurate record and signed by the Chair.

5. Matters Arising

Ms Molloy informed the meeting that the LEP Board had recently commissioned Marketing Lancashire Ltd to undertake a programme of marketing activity associated with the work of the Board and discussions were underway in order to determine what was required.

Ms Molloy confirmed that she would convene a meeting (to include SKV and LCC Communications) in order to inform the development of the communications update that will be tabled at the next meeting.

It was also reported that the GDMB Social Value Working Group had met and were in the process of developing a template for capturing and monitoring social value outcomes across growth deal projects. Mrs Moore confirmed that the template would initially be trialled with two projects and that the findings will be reported to the next Committee.

Resolved: That the above updates are noted.

6. Monitoring and Evaluation Sub Group Update

Mrs Moore reported the meeting that in December 2015 the LEP Board had approved the appointment of Warwick Economic & Development Ltd to deliver the Evaluation Framework contract for Lancashire's Growth Deal Evaluation Plan. It was noted that the contract would take effect on the 4th April 2016 for a period of 3 years with an option to extend for any period up to a further 12 months (3rd April 2020).

It was also noted that the next meeting of the Sub Group would be held in early February and not on the 29th January 2016 as stated in the report.

Resolved: That the report is noted.

7. Report on relevant issues from LEP Board - 15th December 2015

Ms Molloy updated the Committee on various decisions approved by the LEP Board in respect of Growth Deal Funding from the meeting on the 15th December 2015, including:

- An £8m contribution towards the Burnley, Pendle, Hyndburn Growth Corridor Improvements Scheme.
- That the UCLan Engineering and Innovation Centre and Brierfield Mill projects were to be presented to the LEP Board on the 2nd February 2016 for approval.
- By the 31st March 2016 100% of the LEPs £39.35m Growth Deal allocation for 2015/16 will have been transferred to capital projects, with any underspends arising from the programme being used to meet any increased call from existing schemes or emerging small scale pipeline projects.
- Approval for up to £1.8m of the £3.68m unallocated Growth Deal Skills Capital Funding to be used to meet any increased call from existing Growth Deal schemes and agreement in principle to the Skills and Employment Board using the remaining £1.88m unallocated Skills Capital funding to support the outcome of the forthcoming Area Based Review.

With regard to schemes seeking funding approval the Chair expressed his concern that three of the expected five schemes were not in a position to be considered due to slippage and suggested that the project sponsors be contacted with a view to establishing revised timescales. It was noted that reports on the Rawtenstall Redevelopment Zone and Burnley Vision Park schemes were due to be presented to the next meeting of the Committee.

Resolved: That the report is noted.

8. Growth Deal Skills Capital - Round 2

(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).

Dr Lawty-Jones presented her report on the above and informed the meeting that 10 Expressions of Interest (EOIs) had been received for Round 2 with a total funding request of £8.92m. It was noted that three of the projects submitted had also included a full business case.

The EOIs had been appraised by the Lancashire Skills Hub/LEP Officers and by the Skills Funding Agency before being presented to the Skills and Employment Board on the 10th December 2015 which had made recommendations to the LEP Board on the 15th December.

8 projects had been approved to progress from EOI to full business case (addressing the points raised through the appraisal) with one approval being subject to a reduction in the intervention rate which was subsequently agreed with the applicant and reduced the total amount of funding to £8.73m. As the remaining 2 projects had provided insufficient detail in the EOI it was agreed that the applicants be asked for further information and clarification before proceeding to full business case with revised EOIs to be re-considered at the Skills and Employment Board on the 27th January 2016.

An overview of the projects, costs and the amount of grant requested was presented.

In considering the report the Committee noted that fewer EOIs had been received for Round 2 and it was suggested that this was due to a number of factors including: greater clarity regarding the criteria; projects being requested to spend by the end of March 2017 and be operational in time for the 2017/18 academic year; and the imminent Area Based Review (ABR) of the College infrastructure which may have deterred Colleges from committing to projects with significant financial spend.

Whilst the number of EOIs was lower than in the previous round it was recognised that the quality of bids received had improved and a number of new applicants had submitted EOIs in Round 2.

The Chair asked Dr Lawty-Jones to ensure that the LEP Board was made aware of how individual schemes would link together in order to achieve synergies and avoid duplication eg the Brierfield Mill project where training provided on one part of the site could be linked to employment opportunities on other parts.

Resolved:

1. That the outcome of the first stage of the Growth Deal Skills Capital Round 2 tender process and the projects advancing to full business case, as set out in the report presented, is noted.
2. That the LEP Board's approval to push forward unallocated funds to future years to support the outcomes of the ABR, whilst also using a proportion to meet any increased call from existing schemes or small-scale pipeline projects in the short-term is noted.

9. 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 reported that there had been some slippage reported on one scheme due to the recent bad weather and subsequent flooding in certain areas where works were scheduled. This may push spend from 2015/16 into 2016/17 but will not delay the overall project completion timescales.

Details of the current Growth Fund position together with the risk rating and comments for all projects with a 2015/16 or 2016/17 start were presented. In considering the report the Committee noted there was some risk associated with schemes GF01-06 SAL and GF01-11 LHIP and this would be clarified once details regarding spend were received.

The potential underspend on scheme GF01-13- BFC LEHQ was discussed and a request from the project sponsor for LEP to fund the sunk costs of the initial site work (as minuted at a previous GDMB) it was noted that Miss Ainsworth was due to meet with officers to discuss the situation and determine how any underspend was to be used but that underspends on the current project should be utilised first.

Further clarification of DCLG's flexibility in use of Growth Deal monies to meet project needs and to include additional projects if required was given following feedback from DCLG.

Resolved:

1. That the Growth Fund Profile be accepted following adjustments from the last meeting.
2. That the spend to date and the spend to be made in 2015-16 are both noted.

3. That the 2015-16 in year spend be balanced to the funding as set out in the report presented.
4. That the allocations of the skills programme of £12.63m be noted and agreed.
5. That consideration is given to the profiling of funding for projects being as accurate as possible at initial stages of project development.
6. That a list of pipeline projects be identified to both utilise any underspends in Growth Deal 1 and be ready for Growth Deal 2 ask if announced following the Comprehensive Spending Review.

10. Project GF01-06 - M55 to St Annes Link Road

The Chair informed the meeting that following further discussions between officers and the applicant it was likely that agreement would be reached on a scheme which would deliver a number of housing units and the Link road. It was suggested that the decision by the LEP Board to approve the variation in the draw down on Growth Deal funding had been significant in moving things forward.

Resolved: That the update is noted and the Committee are kept informed on further developments in relation to Project GF01-06.

11. 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 updated the Committee on the position regarding the development of Local Growth Fund Agreements.

It was reported that draft memorandums of understanding for projects GF01-01: Hyndburn-Burnley-Pendle Growth Corridor and GFO1-22-CD: A6, Broughton By-Pass were with the project sponsors for consideration and it was anticipated that they would be signed off very shortly and ready for formal sign off by the Board. In order to avoid any delays in the projects being able to draw down growth fund monies the "decisions in writing" provision within the terms of reference will be utilised.

Resolved: That the updates regarding LGF Agreements, as set out in the report presented, are noted.

12. Growth Deal Implementation

(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 a report to update the Committee on the implementation of the Growth Deal, including a proposed method of reporting to record and report progress in relation to metrics for Growth Deal projects which have a funding agreement/memorandum of understanding in place.

Resolved: That the contents of the Growth Deal Implementation document, as presented, are noted and the proposed Growth Deal Metrics Summary document approved for future use.

13. Reporting to Lancashire Enterprise Partnership Board

It was agreed that the comments of the Committee, together with details of the following projects, be referred to the LEP Board for consideration and approval.

GF02-29 - The Engineering and Innovation Centre – UCLan.
GF02-27 - Redevelopment of Brierfield Mill
GF02-30 - Making Rooms – Lancashire's First Fab Lab.

It was also agreed that the LEP Board be alerted to the fact that at a meeting relating to ESIF that had taken place on 18 January 2016 it had been confirmed that only revenue spending would be approved. On that basis the pipeline of capital projects that had been developed may be appropriate to be considered as Growth Deal projects going forward.

14. Any Other Business

No items of business were raised under this item.

15. Date of Next Meeting

It was noted that the next scheduled meeting would be held at 12.30pm on the 9th March 2016 in Cabinet Room C – The Duke of Lancaster Room, County Hall, Preston.