

## **LEP - Performance Committee**

**Friday, 2nd September, 2016 in the Meeting Room, Lancashire Records Office, Bow Lane, Preston at 10.00 am**

### **Agenda**

#### **Part I (Items Publicly Available)**

- 1. Welcome and Apologies for Absence**
- 2. Declarations of Interest** (Pages 1 - 2)
- 3. Membership and Terms of Reference of the Committee** (Pages 3 - 8)
- 4. Minutes of the meeting held on 24th May 2016** (Pages 9 - 12)
- 5. Matters Arising**
- 6. Presentation - Jim Carter - Preston, South Ribble and Lancashire City Deal** (Pages 13 - 22)  
Please find attached a briefing note which Jim Carter has requested be circulated to Committee Members in advance of the meeting.
- 7. Summary Update reports from the LEP Committees** (Pages 23 - 40)
- 8. Future Monitoring and Evaluation Framework** (Pages 41 - 42)
- 9. Reporting to Lancashire Enterprise Partnership Board**
  - Identification and agreement of any recommendations for consideration of approval by the LEP Board.
  - Identification and agreement of issues for inclusion in the feedback report for the LEP Board.
- 10. Any Other Business**
- 11. Date of Next Meeting**  
The next meeting will be held at 2pm on the 29<sup>th</sup> November 2016 in Cabinet Room 'C' – The Duke of Lancaster Room at County Hall, Preston.



# Agenda Item 2

## Director's Declaration of Interest in Proposed Transaction or Arrangement

### LEP PERFORMANCE COMMITTEE

Name	
Date of Notification	
Date of Consideration of Item (i.e. date of Committee meeting)	02.09.16
Item Number (if relevant)	
Description of Transaction	
<b>Nature of Interest</b>	





## LEP – Sub Committee

### Performance Committee

**Private and Confidential: No**

**Date:** 2<sup>nd</sup> September 2016

**Membership and Terms of Reference of the Committee**  
(Appendix 'A' refers)

**Report Author: Andy Milroy, Company Services Officer, Lancashire County Council,**  
**Tel: 01772 530354, email: [andy.milroy@lancashire.gov.uk](mailto:andy.milroy@lancashire.gov.uk)**

### **Executive Summary**

This report updates the Committee on decisions taken by the LEP Board on the 14<sup>th</sup> June 2016 in relation to the membership and Terms of Reference of the Performance Committee.

### **Recommendations**

1. That the appointment of Edwin Booth and Mike Damms to the membership of the Committee is noted and
2. That the updated Terms of Reference for the Committee, as set out at Appendix 'A' to this report, is noted.

### **Background and Advice**

At the meeting on the 14<sup>th</sup> June, 2016, the LEP Board received a report on governance matters together with updates on recent decisions taken by its Committees and where appropriate items which had been referred to the Board for decision.

When considering the report the Board was informed that since its last meeting Edwin Booth and Mike Damms had volunteered to fill two newly created vacancies on the Performance Committee. The Board subsequently approved both of the appointments.

At the same meeting Martin Kelly, the Director of Economic Development, presented a separate report to update the Board on some proposed minor alterations to the LEP Assurance Framework following its annual review, which included an updated Terms of Reference for the Performance Committee.

A copy of the revised Terms of Reference of the Committee, which includes the two



appointments specified above, is attached as Appendix 'A'.



## Performance Committee

### TERMS OF REFERENCE

#### Composition

1. Unless otherwise agreed by the LEP, the Performance Committee shall comprise 6 members.
2. The Members of the Performance Committee shall be appointed by the LEP and shall draw a minimum of 3 private sector directors as members.
3. A place will be reserved on the Performance Committee for the nominee of the Lancashire Leaders Group.
4. The Members of the Performance Committee, as at the date of adoption of these Terms of Reference, are as follows:

Richard Evans	LEP Director, KPMG
David Taylor	LEP Director, David Taylor Partnership
Graham Cowley	LEP Director, Capita Ltd
Edwin Booth	LEP Director
Mike Damms	LEP Director
Local Authority Nominee	Councillor Peter Rankin

Members can nominate substitute representatives, with written notification provided to the Clerk in advance of the meeting. Substitutes will be counted towards the quorum and will be entitled to vote. The use of substitutes shall be by exception rather than rule.

5. The Performance Committee may invite any persons it sees fit to attend meetings as observers. Observers shall be subject to the LEP Assurance Framework protocol on observer attendance at meetings.
6. The County Council's Director of Governance, Finance and Public Services (and LEP Company Secretary) and Section 151 Officer (or their nominees) will attend meetings of the Performance Committee.

#### Chair and Deputy Chair

7. The Performance Committee shall appoint one of its number to act as Chair ("the Chair"). The Chair of the Performance Committee will be a private sector representative and be a member of the LEP Board.
8. The Chair shall not have a casting vote.



9. The Performance Committee may appoint one of its number to act as Deputy Chair ("Deputy Chair").

### Quorum

10. The quorum for Performance Committee meetings shall be a minimum of 3 directors. In the event that the Chair is not present the Committee should appoint one of the members present to act as Chair in his/her absence.
11. If within 15 minutes from the time appointed for the holding of a Performance Committee meeting a quorum is not present, the meeting shall be adjourned. The Secretary shall arrange for the meeting to take place within two weeks and if at that meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting the Members present shall be a quorum.

### Secretary

12. The LEP's Company Secretary (or their nominee) shall serve as the Secretary ("The Secretary") to the Performance Committee.
13. The Secretary shall produce minutes of all meetings of the Performance Committee and will maintain a list of conflicts of interests, in accordance with the LEP's Assurance Framework. Performance Committee agendas will include a standard item requiring declarations to be made in relation to specific items of business.

### Meeting Frequency

14. The Performance Committee shall meet at least once in a 12 month period and according to operational need.

### Decisions in Writing

15. A resolution in writing signed by the majority of the members of the Performance Committee for the time being shall be as valid and effectual as if it had been passed at a meeting of the Performance Committee.

### Remit

16. The Performance Committee will provide oversight on six key areas of performance:
  - i) Quantum of resources secured by the LEP;
  - ii) Investment decision making;
  - iii) Implementation and delivery of key LEP initiatives;
  - iv) Monitoring and evaluation of key LEP initiatives;
  - v) Compliance with LEP policies and procedures, as set out in the LEP's Assurance Framework; and
  - vi) Risk management.





17. The Performance Committee will not make recommendations on individual scheme approvals.

#### **Governance Relationship with the LEP**

18. The LEP is responsible for agreeing the Terms of Reference of the Performance Committee and has the power to vary the same.
19. The Performance Committee shall review its Terms of Reference from time to time as necessary and report their findings to the LEP.
20. Minutes of the Performance Committee meetings shall be submitted to the LEP Board at the LEP's request.
21. The Chair shall provide update reports to the LEP Board at the LEP's request.

#### **Relationship with Lancashire County Council**

22. Lancashire County Council, as accountable body to the LEP, shall provide legal, audit, financial and programme management support through, respectively, the Director of Governance, Finance and Public Services, (LEP Company Secretary), Head of Internal Audit, Section 151 Officer, Director of Economic Development and Director of Development and Corporate Services.
23. Lancashire County Council shall maintain an official record of the Performance Committee proceedings and a library of all formal Performance Committee documents.

#### **Publication of Papers**

24. The agendas and papers of the Performance Committee will be published on the LEP's website in accordance with the LEP's Assurance Framework.



## LEP - Performance Committee

### Minutes of the Meeting held on Tuesday, 24th May, 2016 at 10.00 am at the Room A07 - A Floor, County Hall, Preston

#### Present:

Richard Evans (Chair)  
Graham Cowley

#### In Attendance

Joanne Ainsworth, Subject Matter Expert/Specialist Advisor Finance, LCC.  
Martin Kelly, Director of Economic Development, LCC.  
Neil Kissock, Director of Financial Resources, LCC.  
Kathryn Molloy, Head of Service LEP Coordination, LCC.  
Mike Neville, Company Services Team, LCC.  
Laura Sales, Director Legal, Democratic and Governance, Governance Finance and Public Services, LCC.

#### 1. Welcome and Apologies for Absence

The Chair welcomed everyone to the meeting and noted that apologies had been received from Councillor P Rankin and Mr D Taylor.

It was acknowledged that the absence of two members meant the Committee was inquorate and so it was proposed that the meeting proceed on an informal basis with any necessary approvals arising from the discussions being sought from all Committee members by written resolution outside of the meeting.

The future role of the Committee was discussed and it was recognised that monitoring and evaluation across all programmes of the LEP was essential in order to identify best practice, learn from experience and inform future working. With regard to improving attendance at future meetings it was suggested that an additional member of the Committee be appointed and consideration be given to reducing the quorum in order to minimise the possibility of future meetings being inquorate.

#### Resolved:

1. That Mr M Damms be appointed to the Committee and Mr E Booth, Chair of the LEP Board be invited to attend future meetings as appropriate.
2. That the quorum for the Committee be reduced to 2.
3. That Mr Cowley and Ms Molloy develop a framework for future monitoring and evaluation across all programmes of the LEP for consideration at a future meeting of the Committee.

## **2. Declaration of Interests**

No interests were declared in relation to items appearing on the agenda.

## **3. Minutes of the meeting held on 8th January 2016**

**Resolved:** That Minutes of the meeting held on the 8<sup>th</sup> January 2016 are confirmed as an accurate record and signed by the Chair.

## **4. Matters Arising**

No matters were raised under this heading.

## **5. Presentation from Growth Deal Management Board Chair**

Mr G Cowley, Chair of the Growth Deal Management Board reported that £251m of Growth Deal funding had been awarded and 29 out of a total of 39 Growth Deal projects would either be completed or have started by Autumn 2016.

There had been some slippage on certain projects and a variety of approaches had been used to address this, often involving including additional support from Officers. It was noted that that in some cases the delays had proved beneficial in that the additional time provided an opportunity for further work to be done on projects which had resulted in improved schemes. Concern was expressed in relation to the current capacity of Officers to support the work of the LEP and it was suggested that this should be included as an item in the Risk Register as it could impact on delivery across all LEP activity.

With regard to the future it was proposed that a Business Plan be developed for the LEP to identify future opportunities, develop a pipeline of potential projects, and drive income generation in order that the LEP could become more self sufficient and independent. It was also noted that a constitution for the Combined Authority was being drafted and it was suggested that a constitution should also be developed for the LEP.

### **Resolved:**

1. That the update on activity by the Growth Deal Management Board is noted.
2. That consideration be given to addressing future officer capacity in terms of support for the LEP and that the potential impact of current capacity across all LEP activity be included as an additional item in the Risk Management Register.
3. That a Business Plan and Constitution be developed for the LEP.

## 6. Summary Update Reports from LEP Sub-Committees

The Committee considered updates from the individual LEP Committees and noted the following points.

- a) City Deal Executive and Stewardship Board - The Committee noted that the policy/finance landscape had changed following recent government announcements and that in the future more innovative funding methods would need to be explored. It was noted that Mr, J Carter, Chair of the Board was due to attend the next meeting of the Committee.
- b) Lancashire Enterprise Zone and Governance Committee - The Committee discussed the potential challenges in securing occupiers at the Lancashire Advanced Engineering and Manufacturing Enterprise Zone at Samlesbury and noted the importance of securing a variety of occupiers from within and outside the BAe supply chain. The Committee also recognised the importance of ensuring that the training facility to be provided within the EZ complimented other external educational/training facilities in the area.
- c) Lancashire Skills and Employment Board - The Committee noted that the Area Based Review would look at Further and Higher Educational/training across Lancashire and seek to identify any shortfall or duplication of provision.
- d) Transport for Lancashire Committee - It was recognised that the Committee was working well with a number of large scale schemes moving forward and had established a good reputation with Government.

**Resolved:** That the updates are noted.

## 7. Any Other Business

Ms Molloy reported that the quorum and membership of the Committee would be amended as part of the planned review of the LEP Assurance Framework which would also look at the future structure and role of the LEP.

The review would also include the development of a monitoring and evaluation workplan, an Investment Strategy and Business Plan for the LEP and a refresh of the Strategic Economic Plan.

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

## 8. Date of Next Meeting

It was noted that the next scheduled meeting would be held at 2.00pm on the 2<sup>nd</sup> September 2016 in Cabinet Room 'C' – the Duke of Lancaster Room at County Hall, Preston.

## **Part II (Private and Confidential)**

### **9. Risk Management Register**

(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).

The Committee considered the current version of the Risk Management Register and acknowledged that little had changed since the last meeting.

#### **Resolved:**

1. That the current capacity of Officers to support the work of the LEP be included as an item in the Risk Management Register in relation to the potential impact on delivery across all LEP activity.
2. That an updated version of the Risk Management Register be presented to the next meeting of the Committee.



## Performance Committee 2<sup>nd</sup> September 2016 – City Deal Chair’s Briefing Note

### Purpose of Briefing Note

The purpose of this Briefing Note is threefold:-

1. This first part of this briefing note provides a background summary on City Deal financial, governance and programme management arrangements along with a brief summary of the City Deal performance in the first 2 years.
2. The second part of the note briefly summarises the work of the initial phases of the City Deal Resources Review currently underway alongside highlighting a number of arrangements already established to continuously challenge assumptions (in relation to delivery, cost and income) made at the outset of the City Deal.
3. The third part of the note proposes a scope and methodology for further phases of the Resources Review for discussion and consideration with the Performance Committee.

### 1. Background

#### **Context**

The City Deal which comprises a 10 year programme was signed by Government and the three Councils (South Ribble, Preston and Lancashire) in 2013. The first year of implementation was 2014/15. The core principle of the City Deal is that the Councils and Government (via the Homes and Communities Agency - HCA) collectively pool their resources to facilitate the delivery of an agreed set of infrastructure priorities to create new homes (Circa 17,500) and jobs (Circa 20,000) in Central Lancashire.

#### **Financial**

The City Deal is underpinned by an Infrastructure Delivery Fund (£334M) which is split into two sections – resources, (ie, income received/forecast to be received into the fund) and delivery programmes, (ie, expenditure paid/forecast to be paid on infrastructure schemes). Income is derived from: New Homes Bonus, Community Infrastructure Levy, business rates, local authority capital receipts, HCA loan and grant from land sales and developer contributions such as s278 monies. The City Deal is an accelerated delivery model based on the premise that the timing of resources coming into the model will be behind expenditure on schemes, (requiring cash flow support from the County Council). There is a commitment of the partners to keep the model balanced and to mitigate potential cost overruns. The model is dynamic and reflects changes to inputs and outputs of the model occurring over time. This is sustainable subject to County Council maximum cash flow approvals being in place and not breached.

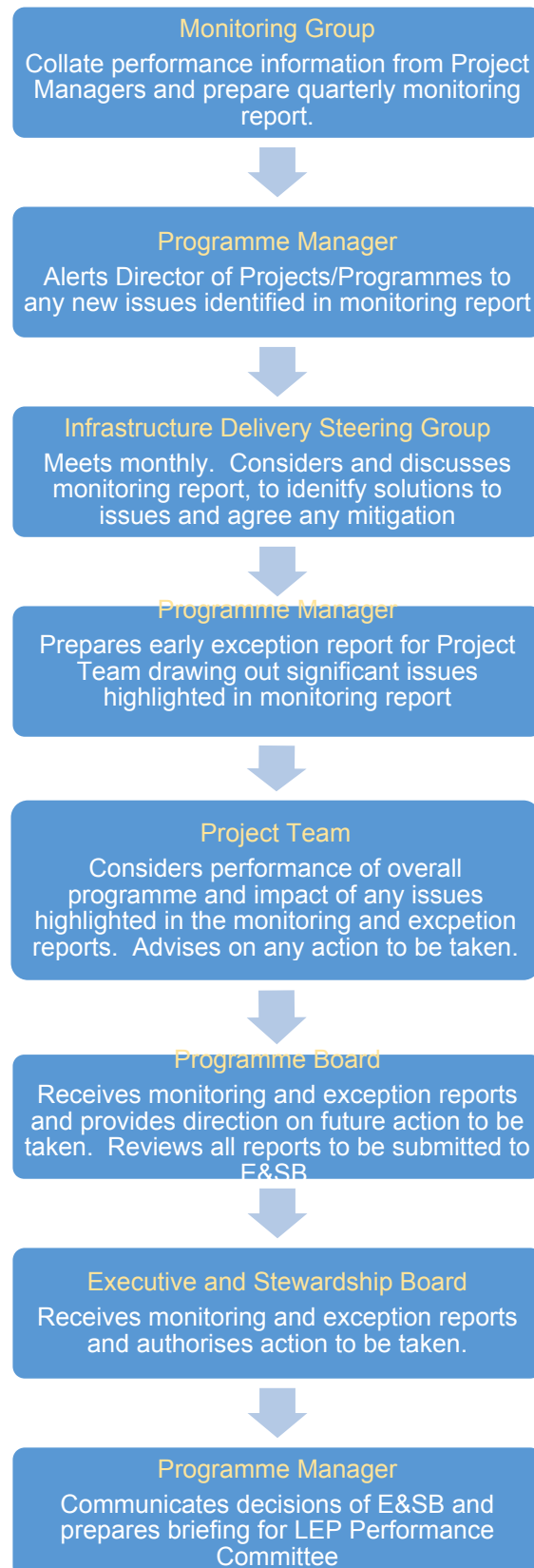
#### **Governance**

The City Deal Executive, chaired by LEP Director Jim Carter, and the City Deal Stewardship Board, chaired by HCA NW Regional Director, Deborah McLaughlin form the two principal governance structures guiding the City Deal. Since 2014 the Executive and Stewardship Board have met on a quarterly basis in a combined format. There are a number of operational boards and groups that sit beneath this governance structure.

## **Programme Management**

The primary role of the City Deal Executive and Stewardship Board – E&SB – is to agree and oversee the implementation of an annual Infrastructure and Delivery Plan and the HCA Business and Disposal Plan, and to monitor achievement of the housing and employment outputs. Core and secondary outputs and annual targets are agreed with Government with monitoring reports prepared for Government every 6 months.

The diagram below sets out current programme management arrangements.





## Performance

In the first 2 years of the City Deal (14/15 – 15/16 implementation of the infrastructure schemes proceeded at pace and in line with the targets and milestones set out in the Infrastructure and Delivery Plan and core housing and employment targets were all met.



This has provided the LEP with a strong evidence based record of achievement and delivery upon which to build its relationship with Government and to assist in its case-making for Growth Deal and other devolved arrangements.

## 2. Continuous Improvement

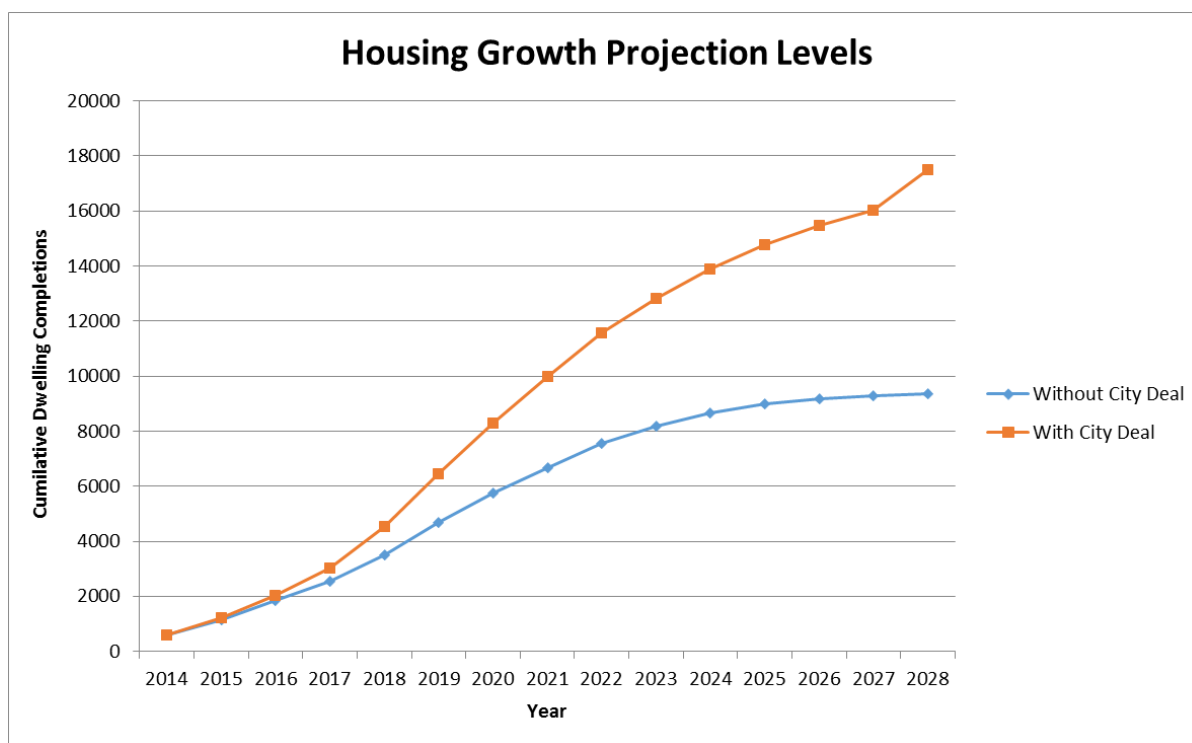
Whilst a solid start to the City Deal has been made, the E&SB recognises that this is a long-term initiative of the scale and complexity that requires robust and well-resourced project and programme management. This will ensure that the relevant projects are delivered within an efficient manner and that delivery challenges and pressures on income and costs are overcome. It is anticipated that the delivery challenges and pressures on income and costs will scale up over time as the City Deal moves from the first 2-3 years of preparation and works on a number of the larger projects commence. In recognition of this the E&SB agreed to the following:-

- (i) In Summer 2014, to hold annual away days to review the progress, to understand emerging challenges and to review governance, the first away day took place in Autumn 2015, with the next session being scheduled for Winter 2016;
- (ii) In Autumn 2015, to undertake a Resources Review, with support from external advisors Keppie Massie and chaired by Jim Carter, focussing on City Deal income streams potentially impacted upon by changes to Government policy, and the pace of housing delivery – a direct driver of City Deal income;
- (iii) In Winter 2015, to ask UCLAN and Chorley Borough Council to attend City Deal E&SB meetings, initially as observers. UCLAN attended their first meeting in June 2016 in this capacity and Chorley have agreed to attend from September 2016;

- (iv) In Winter 2015, and as part of the LEPs wider marketing activity, to ask the Chief Executive of Marketing Lancashire (ML) to provide strategic marketing support and advice. The Chief Executive of ML now attends all E&SB meetings as well as inputting into the communications and marketing group; and
- (v) In Spring 2016, to work with the Performance Committee to provide assurance with regard to the delivery of major City Deal highways infrastructure.

**Resources Review - Income:** In Autumn 2015 it was evident that the Government were proposing potential changes to three important sources of City Deal income: New Homes Bonus (NHB); Community Infrastructure Levy (CIL); and business rates (NNDR). At the time the City Deal was signed it was understood by the Councils and by Government that the City Deal Infrastructure Delivery Fund (IDF) was dependent on these income streams and the City Deal agreement therefore acknowledges that local partners and Government will review the Deal should changes be made by Government to these funding streams. Following informal discussions with civil servants, the E&SB agreed to use external consultants, Keppie Massie, to help advise on the potential impact on proposed changes. “**Phase 1**” of the Resource Review (RR) commenced and concluded that it was not possible at this stage to robustly quantify the impact of potential changes to NNDR or CIL (given that potential policy changes were insufficiently crystallised to enquire as to the potential financial implications) and with regard to NHB that the IDF would be negatively impacted upon by between £9M and £32M. The E&SB considered a report on these findings at its meeting in May and agreed that it would be prudent to await Governments pronouncement on the level of NHB changes before commencing formal negotiations with Government regarding the IDF deficit. In June the EU Referendum fundamentally changes the political landscape in the UK resulting in the departure of the Prime Minister and Chancellor. Given potential inertia as a result of these political changes, the summer break, economic uncertainty and immediate Government priorities no announcements (or indications as to a likely timescale) by Government have yet been made on NHB.

**Resources Review – Housing Delivery** In parallel with the extensive work undertaken with regard to testing the assumptions and ongoing certainty of City Deal income streams the RR has also been considering, as “**Phase 2**”, the ability to deliver the quantum of new housing within the 10 year City Deal Period. As well as being a direct and quantifiable output of the City Deal new homes also provide two income streams into the City Deal – CIL and NHB. The E&SB in June considered a report by KM which set out the findings of an extensive analysis by KM, based on one to one meetings with the main house-builders active in the City Deal area, detailed discussions with the LPAs and KMs own industry knowledge. This analysis provisionally concludes that the mobilisation period for the house builders has been longer than anticipated and that full delivery of the 17,500 could take up to 15 years to complete, with the infrastructure programme remaining as a 10 year delivery programme. Since this analysis was undertaken the Government have made further policy announcements with regard to the HCA undertaking “direct delivery” of housing and the impact of this on the City Deal is currently being evaluated – it is possible that this could increase the number of houses capable of being delivered in the 10 year original period. The analysis by KM also demonstrates that without a City Deal the scale of house building in Central Lancashire would be significantly under that being achieved and forecast with a City Deal, as set out below.



**Resources Review – Commercial Site Delivery** As part of the Phase 2 instructions KM are currently undertaking an evaluation on the assumptions made at the outset of the City Deal with regard to the scale of the commercial sites in the City Deal and the timescales within which they can be delivered. The job numbers set out in the City Deal are a direct function of the commercial floor-space created and new commercial sites provide two key income streams to the City Deal – NNDR and CIL. The KM evaluation, which includes one to one discussions with developers and land-owners active in the City Deal area, as well as detailed discussions with the LPAs and KM's own industry knowledge will be completed in mid- September.

Phases 1 and 2 of the Resources Review will be concluded in September with a final report being considered by the E&SB at its meeting on 31<sup>st</sup> September. This will set out the position pre EU referendum but will acknowledge the need, specifically with regard to pace of housing delivery, to continue to review and monitor market conditions post EU Referendum as the full economic impact of the UK's decision to leave the EU becomes known.

**Resources Review – Costs**

Given the potential Government changes to income streams, the RR has, so far, been focussed on certainty of income and site delivery. However, assurance that the City Deal infrastructure schemes are affordable within the City Deal IDF and that costs are being controlled is vital. It should be noted that the Infrastructure costs set out in the original City Deal agreement were based on provisional estimates. If negotiation with Government with regard to Government changes to City Deal income streams is to take place Government will need to be reassured that cost liabilities are being managed. Furthermore, the County Council will need to be reassured that the cash flow approvals are not breached due to cost increases. In recognition of this the E&SB approved, in March 2016, a process to ensure final costs of infrastructure costs are approved and schemes are fully funded prior to implementation. (NB, Broughton Bypass and Preston Western Distributor (were/is) already subject to TfL and LEP approval via the Growth Deal process)

## **Design and Delivery of Infrastructure Schemes**

Since the outset of the City Deal a “mixed economy” approach has been taken to the design and delivery of infrastructure schemes. The County Council, in its capacity as local Highway Authority, does have expertise in designing and delivering infrastructure schemes as well as working with private sector delivery contractors. For example:-

- The dualling of the A582 has been designed and delivered by the County Council;
- The Broughton Bypass has been designed by the County Council and is being delivered by Hochtief; and
- The Preston Western Distributor is being designed by the County Council with early contractor engagement by Costain

This mixed economy approach has merits and the use of the County Council to date has allowed City Deal projects to “hit the ground running” and to be essentially fast-tracked so that local partners and the LEP have been able to demonstrate tangible and active delivery progress immediately after the City Deal was signed. In the case of design, it has also provided the mechanism through which the quality of the design in terms of satisfying the County Council in its capacity as highway authority that it will deliver a highway than can be adopted and thereafter maintained at the public expense, can be tested from the outset. However it remains important for the E&SB to continue to challenge and test proposed design and delivery models in order to achieve the best outcomes for the City Deal. In recognition of this the Chair, at the September meeting of the E&SB, will propose that for programme critical infrastructure schemes the E&SB be asked to consider and make decisions on the design and delivery model i.e. direct delivery by the County Council or whether to tender the relevant scheme. The E&SB will, thereafter, make recommendations to the County Council regarding design and delivery routes.

## **Programme Critical Implementation**

The E&SB consider detailed quarterly progress and monitoring reports on the Infrastructure and Delivery Plan and on the HCA Business and Disposal Plan. It is inevitable, on a programme of the scale and complexity of the City Deal that project delays across all areas (infrastructure schemes, and housing and commercial sites) will occur. It is important for the E&SB to be advised as to where those delays could affect whole City Deal programme delivery and at the request of the E&SB in May programme critical issues emerging on the projects and development sites are now reported separately to the E&SB in addition to being flagged in the quarterly monitoring reports. A delay on Broughton Bypass, one of 4 key City Deal infrastructure projects was reported to the Executive in May 16 which highlighted a need for project managers to report emerging issues in a timely manner and the introduction of additional explicit quarterly monitoring questions.

The E&SB established a task and finish planning and housing delivery working group to review the processes already in place to provide assurance that housing sites are being brought forward in the most expedient way. This group has concluded its initial work and the E&SB will consider a report of the group at its September meeting. This report will highlight the need for a more development management approach to be taken, specifically with regard to the scale and timing of the input from statutory agencies, including the County Council, pre and post planning application submission.

## **“What Next” for City Deal**

In considering a range of mitigation measures to respond to the challenges to income streams, and the pace of housing delivery, the E&SB have taken the opportunity to look forward, over a 15-year horizon, to the Place of Central Lancashire. This has included, for example, presentations on the potential for a redeveloped railway station in Preston, potential for Garden Village proposals, Direct Delivery of housing by the HCA, the impact of

the Governments Starter Homes policy in the area, the role UCLAN can play in the local area and a strengthened City Deal inward investment offer.

The E&SB has overseen detailed and valuable work with regard to certainty of income and has put in place a number of measures to seek to control cost and manage programme challenges. However, given the scale of these challenges is likely to increase over the life-time of the City Deal, the E&SB would like to undertake further work on these areas and to report back to the Performance Committee in Autumn. The E&SB will also undertake more work to provide assurance to the local partners and the LEP that maximum social value is also being extracted from the significant spending on infrastructure schemes and new housing and commercial sites

### **3. Resources Review - Phase 3 – Value for Money; Social Value; and Programme Implementation**

It is proposed that KM undertake further work in relation to value for money, social value and programme implementation to compliment the work done to date on income and housing and commercial site delivery projections. This work, “**Phase 3**” will complete the 2016/17 Resources Review and can provide a robust evidence base for the local partners and the LEP to pursue a potentially “refreshed” City Deal proposition with Government. KM have considered the requirements and propose the following methodology and outcomes.

#### Part I – Keeping Pace with Programme

Part I could be achieved by looking at proposed timetables and checking whether the proposed delivery timetables are in keeping with existing projections or in line with any benchmarking that has been undertaken. Wherever delays have been observed, views will be needed as to whether other organisations would have faced the same problems or whether delays have been caused by reasons specific within the organisation. This will include a review of the findings of the housing and planning working group.

Method of analysis could comprise the following structure:-

*Analysis of scheme benchmarks and the suitability of the benchmarks that have been adopted for the purpose of identifying initial delivery timescales.*

- *If benchmark has been achieved – fine*
- *If benchmark has not been achieved – issue*

*In the event that the benchmark has not been achieved, why was this the case, provide recommendations for potential processes and procedures in the future to overcome any identified issues.*

#### Part II – Value for Money

This element will firstly review the robustness of the highline estimates for the main infrastructure schemes which were prepared prior to the City Deal submission in 2013. It is only as schemes progress from concept, outline and final design stage that actual costs are established. This piece of work will reference respective guidance documents including the CLG Document “Best Value Statutory Guidance” in addition to potentially acknowledging “Partnership for Public Procurement” which has been put together by the Chartered Institute of Procurement & Supply (CIPS) and The Institute for Public Procurement (NIGP). Where work has not been competitively tendered KM will discuss matters with the relevant County Council procurement and highway officers to understand how costs have been benchmarked and value for money obtained. Identification of the potential benefits of not procuring external services will also be considered by KM which may include an ability to expedite delivery or to reduce administrative costs by not externally procuring services.

Method of analysis could comprise the following structure:-

*Analysis of scheme benchmarks and the suitability of the benchmarks that have been adopted for the purpose of identifying an initial cost. [*

- *If benchmark has been achieved – fine*
- *If benchmark has not been achieved – issue*

*In the event that the benchmark has not been achieved why was this the case, provide recommendations for potential processes and procedures in the future to overcome any identified issues.*

### Part III – Social Value

Social Value is defined as:-

*"A way of thinking about how scarce resources are allocated and used. It involves looking beyond the price of each individual contract and looking at what the collective benefit to a community is when a public body chooses to award a contract"*

As part of this instruction KM will liaise with Dr Michele Lawty Jones who is the Lancashire Skills Hub Director, and has worked on the LEP's Growth Deal Social Value Toolkit.

KM will look at the County Council's Social Value Policy (which the County Council will have regard to when making procurement decisions) and assess whether the procurement decisions have full regard to this.

Method of analysis could comprise the following structure:-

*Is there a Social Value Policy in place within the existing procurement procedures that Officers have regarded to when making decisions as to who to award contracts do?*

*If yes, comment on:-*

- *Has this been implemented?*
- *Has Social Value principle been achieved?*

*If no, comment on:-*

- *Should a Social Value Policy be in place, and enshrined within all procurement decisions?*
- *Identification of potential processes and procedures to ensure that the Social Value objective is achieved, and ensuring that a framework or criteria in place is fit for purpose to ensure that procurement decisions have full regard to this.*
- *How this has been achieved elsewhere. Local Authority examples?*

It is proposed that the conclusions and outputs for the three work areas take the following format.

- Identification of Audit Procedures and Methodology Employed
- Outcomes of Analysis
- Identifications of any Shortcomings
- Mitigations or Alternative Approaches

#### **4. Conclusions**

At the end of the first 2 years of implementation of the City Deal all output targets and delivery milestones have been met. The E&SB has already undertaken significant work to better understand pace of housing delivery and challenges to income streams. The E&SB continues to look forward and to focus on the Place of Central Lancashire. The E&SB has put in place a number of checks and balances to control cost and manage programme delivery issues and further work needs to be done to continue to provide assurance on costs, social value and achievement of programme critical milestones. It will also be important to continue to try and estimate the impact of Brexit, particularly on the appetite of local house-builders and developers in the City Deal area. A comprehensive Resource Review report will help the local partners and the LEP have a meaningful negotiation with Government, and the timing of this negotiation needs to be carefully considered and agreed by the LEP and the local partners.







## **LEP – Sub Committee**

### **Performance Committee**

**Private and Confidential: No**

**Date:** 2<sup>nd</sup> September 2016

**LEP Committee Updates**  
(Appendices 'A' to 'F' refer)

**Report Author:** Kathryn Molloy, 01772 538790, [kathryn.molloy@lancashire.gov.uk](mailto:kathryn.molloy@lancashire.gov.uk)

#### **Executive Summary**

The latest updates on work streams from the other LEP Committees are attached as appendices to this report for consideration of the LEP Performance Committee.

#### **Recommendation**

The Performance Committee is asked to note and comment on the attached updated from the other LEP Committees.

#### **Background and Advice**

Following the establishment of the LEP Performance Committee, it was agreed to circulate updates from all of the other LEP Committees to the Performance Committee at each meeting. This provides the Performance Committee with the opportunity to monitor and assess the work streams of the other Committees and undertake their scrutiny role in relation to the work of the LEP.



## **Update for LEP – Performance Committee**

### **Preston, South Ribble and Lancashire City Deal**

#### **Achievements in the last two months**

At the June E&SB representatives from UCLAN attended their first meeting as observers. The Environment Agency also attended and provided a presentation on Flood Risk.

A summary of key performance of City Deal up to 2015/16 (Year 2) was signed off by the Executive and Stewardship Board at its meeting in June. In headline terms:

- 1,599 homes have been completed (target achieved)
- £9.161m of private sector investment has been secured
- Planning permission for a further 8,765 homes is in place
- 9,665 sq m of commercial floorspace has been created
- 753 jobs have been created

#### ***June / July 2016 Achievements***

- planning application for Preston Western Distributor - submitted May 16
- consultation on Penwortham Bypass - concluded July 16
- Miller Homes start on HCA Croston Road South - 175 new homes – May 16
- Story Homes start on HCA Cottam Hall (Phase 2) - 283 new homes – June 16
- HCA Agreement to sign Collaboration Agreement with Taylor Wimpey for Pickerings Farm – August 16

The 15/16 finance report received by E&SB in June showed a projected surplus at the end of the CD period of £1.408m. For 15/16 actual net resources in year were £4.825m compared to forecast net resources of £4.290m. To August 16, HCA have paid £14M in grant and £1.93M in loan. The E&SB approved a process (to be managed by the Infrastructure Delivery Steering Group) to ensure final costs are approved and schemes are fully funded prior to implementation. The E&SB agreed future monitoring arrangements with housing and employment sites performance reported 6 monthly (aligned with Government's monitoring against the core and supporting outputs) and performance on the infrastructure programme reported quarterly. The E&SB adopted a new scheme approval process, ensuring robust arrangements are in place for any new (funded) schemes coming forward in the future.

#### **Current challenges / Issues requiring a planned approach to their management.**

At the request of the E&SB, programme critical delivery issues are now reported separately to the E&SB, in addition to being flagged in the quarterly monitoring reports. At the June E&SB issues relating to Pickerings Farm, Croston Road and Broughton Bypass were discussed and actions agreed to minimise the risk to the programme. The E&SB will receive progress updates on these and other programme critical delivery issues as a standing item. In relation to the major highway infrastructure projects, Broughton Bypass is under construction with the completion date under review due to previously unknown ground conditions requiring changes to the scheme design.

Jim Carter chairs a Resources Review group, which to date has focussed on City Deal income, including the financial impact of potential changes to New Homes Bonus, estimated to be between £9.3M and £32M, as well as the projected build out rate for housing. Government are yet to announce the outcome of the NHB consultation and while informal discussions with Government colleagues have taken place the timing and nature of the formal negotiations with Government needs to be carefully considered. The next phase of the Resources Review group is focussing on City Deal costs.

The E&SB agreed, as part of its annual progress review, to work with the Performance Committee to provide assurance with regard to the delivery of major City Deal highways infrastructure. It be important that assurance is also provided on both the broader costs and income of the City Deal initiative and the ongoing Resources Review work can usefully inform this and will discussed at the Performance Committee on the 2<sup>nd</sup> September.

## **Growth Deal Management Board (GDMB)**

### **Report to LEP Performance Committee 2<sup>nd</sup> Sep 2016**

#### **Progress since last report (June 2016)**

##### Programme - Projects

There are 39 projects within Lancashire's Growth Deal programme across 4 priorities.

Of the 39 projects:

- 31 - Projects have received LEP Approval (2 since the last report)
- 18 - Projects have Grant Funding Agreements in place (3 since the last report)
- 13 - Projects are currently progressing their Grant Funding Agreement
- 8 - Projects will be presented to future Growth Deal Management and Lancashire Enterprise Partnership Boards within relevant timescales

The 13 projects as detailed above are expected to complete contracting during September 16, which will result in 31 'Live' projects out of the 39 within programme.

Currently we are prioritising and working closely with 2 projects out of the 8 mentioned above, which require LEP approval, where progress is a concern:

- Lancaster Health and Innovation Campus
- M55 to St Annes Link Road

##### Finance

£251m Growth Deal funding was awarded to Lancashire. All funding has been allocated to projects, with the exception of £2.09m unallocated under the skills priority.

During 15/16 'live' schemes have drawn down £30.94m. Subject to final verification of claims received for Qtr1 16/17 spend, it is anticipated that projects will draw down a further £9.94m, resulting in a total programme spend to 30<sup>th</sup> June 16, of £40.88m.

##### Performance

Currently the programme is delivering in accordance with both the programme and individual project profile targets, in relation to both funding and outputs/ outcomes.

Live projects are reporting 'actuals' against both core and social value targets, which following verification will be reported to government.

No queries have been raised in relation to the last claim submitted to government in June 16. The claim reported actuals (spend /outputs) as at 31<sup>st</sup> March 2016.

Monitoring and Evaluation

A number of project monitoring visits have taken place since the last report which has demonstrated significant progress on live schemes. Currently the programme and projects within it are delivering in accordance with programme profile.

As reported at the last committee, the external consultants Warwick Economics and Development Ltd were appointed in January 2016 to commence a 3yr evaluation of the Growth Deal programme. Progress against the contract will be reported to the next Growth Deal Management Board on 6<sup>th</sup> September 2016. The report will include preliminary findings / feedback from projects and key stakeholders, which will be built upon as the contract progresses, to inform this and future programmes.

Growth Deal 3

In July 2016 a submission was made to government for Growth Deal 3. The submission requested circa £170m to bring forward 25 priority schemes. It is expected funding allocations will be announced in the Chancellor's Autumn Statement.

## Lancashire Skills and Employment Board

### 1.0 Area Based Review (ABR)

- 1.1 The ABRs, driven by Government and the FE Commissioner, will review the College infrastructure across England with view to delivering institutions which are financially viable, sustainable, resilient and efficient with an offer that meets each area's educational and economic needs. This includes focusing on specialisms and ensuring sufficient access to high quality and relevant education and training for all which reflects changes in Government funding priorities and future demand.
- 1.2 The review in Lancashire commences early October. The ABR was discussed at the LEP Board meeting in June and the principles agreed for the visioning document which is currently being produced by a working group to the Skills and Employment Board. The document will be presented at the first steering group to frame the economic and educational context of the review in Lancashire.

### 2.0 Careers Education, Information, Advice and Guidance (CEIAG)

- 2.1 The LEP was successful in its bid to the Careers and Enterprise Company for an 'Enterprise Adviser Network'. The pilot project, which launched in January in Blackburn with Darwen and Burnley, aims to stimulate engagement between businesses and industry and schools to inspire young people and provide CEIAG. Essentially the project involves a funded Enterprise Coordinator, working with a network of Enterprise Advisers (business volunteers) and a network of schools to develop employer engagement strategies and plans.
- 2.2 Formal confirmation of grant funding for the next two academic years has now been received and match funding has been secured locally through Lancashire County Council. This will enable the network to be expanded to 60 schools across Lancashire from September 2016, and to 120 in September 2017. The current contract with Inspira, who employs our Enterprise Coordinators and oversees day-to-day delivery has been extended to the end of November, whilst an OJEU procurement process is launched to secure a delivery partner for the two years.
- 2.3 The JCP Pathfinder with schools is now fully operational. The pathfinder is also focused in Burnley and Blackburn with Darwen, to aid coordination and it is intended that it will also extend across Lancashire next academic year in parallel with the Enterprise Adviser Network.
- 2.4 A breakfast event, is being planned with partners to celebrate the early successes of the Enterprise Adviser Network, collaborative working and to formally launch the JCP Pathfinder and the roll out of the Enterprise Adviser Network in Lancashire. It will be hosted by Edwin Booth and the Chief

Executive of the Careers and Enterprise Company, Claudia Harris. The event will be held on the 30<sup>th</sup> September 2016 at the Dunkenhalgh Hotel.

- 2.5 The Careers and Enterprise Company are also launching a procurement exercise to contract mentoring providers across the Country to help establish a network of business mentors who will mentor young people in Years 8 and 9 who are at risk of disengaging. This is complementary to the ESF activity recently tendered, and is welcomed as an earlier intervention to support young people to reengage pre-GCSE. The Lancashire Skills and Employment Hub will be involved in the evaluation process, and have provided a slide for the prospectus about needs in Lancashire.

### **3. European Structural Investment Funds (ESIF)**

- 3.1 The Skills Funding Agency (SFA) opt-in project for young people at risk of or not in education, employment or training (NEET) is now contracted and is in delivery. A steering group has been established to oversee the project (and the Big Lottery NEET project – see 3.3). The steering group reports to the Skills and Employment Board.
- 3.2 The tenders for the other two SFA co-financed projects have now closed – 'Employee Skills Support' and 'Access to Employment'; we are awaiting dates for evaluation panels from the SFA. The SFA are awaiting permission to contract.
- 3.3 The outcome of the invitation to tender (ITT) for the project co-financed by the Department for Work and Pensions (DWP) will be confirmed in September, with view to the project commencing in November.
- 3.4 In relation to the Building Better Opportunities (Big Lottery) programme, the NEET project and activity targeted at 50+ will commence in September. The Disadvantaged project is at stage 2, as is the project addressing 'Digital Inclusion'.
- 3.5 Calls for stage 1 tenders relating to Active Inclusion and Widening Participation/Outreach were launched and closed on the 19<sup>th</sup> July. These projects require match locally. It is anticipated that the project submissions will be reviewed at the ESIF Committee in October, with a view to agreeing which applications should progress to stage 2 of the process.
- 3.6 As per previous recommendations to the ESIF Committee we are also progressing the development of specifications under 2.1 and 2.2, focusing on leadership and management and accelerating apprenticeships at higher level and degree. A workshop was held on the 18<sup>th</sup> July with a range of partners who had expressed interest in these areas of work to discuss their project ideas and encourage collaboration.
- 3.7 We are awaiting a formal position from DWP in regard to the implications of Brexit. At present it is 'business as usual' and procurement activity continues. There is a risk that the SFA projects (referenced under 3.2) will not be contracted soon enough to enable an 18 month delivery period (contracts are



until the end of March 2018); the SFA are continuing to lobby DWP and Government officials to enable evaluation and contracting to commence.

**4.0 Growth Deal Skills Capital**

- 4.1 Further to the up-date at the last meeting on the projects that were successful under round 2, the Growth Deal Programme Team are working closely with applicants to progress the Grant Funding Agreements (GFAs). Of the 9 projects approved in April, 2 have now got signed Grant Funding Agreements and are live (Myerscough College –Food and Farming Innovation and Technology Centre and Runshaw College – Enhancing IT Infrastructure). The remaining 7 are being progressed, and it is hoped that the GFAs will be signed later this month.



## **Transport for Lancashire Committee**

### **Report to LEP Performance Committee 2<sup>nd</sup> September 2016**

Since the last Performance Committee on 24<sup>th</sup> May 2016, the Transport for Lancashire committee has only met once, on Friday 10<sup>th</sup> June 2016.

At this meeting, Members considered a proposed application from the Lancashire Enterprise Partnership to the Department for Transport's Large Local Transport Schemes Fund for a contribution towards the funding to support the preparation of a fully worked up Outline Business Case for the New Ribble Crossing. The committee recommended that the Lancashire Enterprise Partnership Board agree the submission.

Members also considered a draft brief for consultancy support for a shared analysis to identify the potential economic benefits that might arise across the North of England from improved transport links between Lancashire and North and West Yorkshire. The brief had been prepared by a study group comprising Lancashire and North Yorkshire County Councils and the West Yorkshire Combined Authority in conjunction with the Lancashire, York-North Yorkshire-East Riding and Leeds City Region Local Enterprise Partnerships. The committee recommended that the Lancashire Enterprise Partnership (LEP) Board support the commissioning of the East – West Connectivity: Lancashire to North and West Yorkshire Economic Study, with the LEP agreeing to fund Lancashire's contribution from its strategic case-making budget.



## **Business Support Management Board Update**

### **Boost – Lancashires Business Growth Hub**

Boost is the Business Growth Hub for Lancashire. Its role is to encourage enterprise and to help growth oriented businesses to identify and unlock the barriers to their progression. #GrowthConversation

Following the close of the initial ERDF programme, and pending the availability of a second round of ERDF funding, Boost has been operating a basic service, with a website and telephone helpline, utilising funding through the BIS Growth Deal.

LCC have now been successful in bidding for a new tranche of ERDF funding and this came on-stream in January 2016. ERDF grant of £3,706,660 has been secured against a total programme of support amounting to £7,356,660 over 3 years, match funding for this project has been provided by Lancashire County Council and Lancashire County Developments Ltd. Following an EU compliant procurement process, a new suite of Boost project have been developed and 'Boost 2' is now fully operational.

### **New Boost Services**

**Boost Gateway** - this provides an initial assessment of business needs, identifies the barriers to growth and matches business needs with the most appropriate support organisations and the private sector (although not direct referral). The Gateway contract commenced on 1<sup>st</sup> June and is being delivered by Regenerate Pennine Lancashire.

**Growth Support Service** – this is aimed at potential entrepreneurs and young enterprises (3 years or less). This has been significantly redesigned from the previous start up programme, and has introduced new lean start up tools and techniques as well as robust performance mechanisms to drive the focus on growth and deliverable outcomes. The Programme commenced on 1<sup>st</sup> March and is being delivered by Winning Pitch in conjunction with Enterprise4All.

**Growth Mentoring Programme** - this will match the development needs of SMEs with experienced and successful Lancashire entrepreneurs and company directors. This is based on the very successful mentoring model that has operated in Lancashire for many years. The programme started on 1<sup>st</sup> March and will be delivered by Community and Business Partners and Orvia.

**Growth Vouchers** – any eligible SME will be able to apply for a Growth Voucher (assuming they are looking to create wealth and jobs) to offset the cost of implementing growth proposals provided that the project has been justified through one of:

## Appendix 'E'

- Through a personal action plan produced by participation in the *Growth Support Programme*;
- Through a *Growth Mentoring* record;
- A Business Case supported by a company's accountant or financial advisor;
- Through the Growth Hub's Gateway Service.

The Growth Voucher budget of £750,000 will be managed by the Gateway service. Companies will apply for assistance to help to unlock specific barriers to growth. The minimum grant will be £1000, and the maximum £5,000. Each Voucher must be matched pound for pound by the businesses themselves

### Marketing

The success or otherwise of Boost depends to a large extent on how well it is used/understood by Lancashire businesses. Boost has a central Marketing function that has the role of driving enquiry 'traffic' to the Boost Gateway/partners and also eulogising growth ambition within Lancashire. We are tempting all businesses in Lancashire to think about their growth opportunities and start their #GrowthConversation as well as raising awareness overall of the role that external business support can play in supporting business growth. The regular bulletins and newsletters coordinated by the marketing function will include powerful case studies relating to businesses who have benefitted from Boost support.

### Output targets and performance to date

Overall, Boost aims to engage with a target of 3000 businesses in Lancashire over a 3 year period to December 2018. As part of its ERDF funding agreement, Boost is required to deliver a number of key outputs that contribute to the overall targets for the ERDF Operational Programme. These are:

Indicator	Target
Number of enterprises receiving a minimum of 3 hours Information, Diagnostic and Brokerage support -	1640
Number of enterprises receiving a minimum of 12 hours support -	1360
Number of businesses receiving grants -	300
Private sector investment -	£750,000
Number of businesses receiving non-financial support -	1060
Number of potential entrepreneurs supported -	360
Number of new enterprises launched -	180
Number of new jobs created -	1000

### **Alignment with other business support in Lancashire**

The Lancashire ESIF provides funding for a number of other business support strands. It is important that this process simplifies not confuses the support network for businesses. In order to achieve this we are introducing a Memorandum of Understanding that all ESIF funded business support projects are asked to sign. The MOU contains important principles covering the sharing of information and joint referrals between Boost and other business support projects, including the principle of business need NOT programme need! Just because it is there, does not mean you should have it!

It will be an important role of the Boost Gateway to maintain an up to date register/knowledge of all relevant national/local support (and where appropriate private sector provision) to signpost local business to the most relevant growth enabling opportunities.

Boost has only been operational for a few months, as such it is too early to draw firm conclusions on the performance of the new service, but the signs are encouraging in relation to the numbers of businesses with growth prospects we are engaging with. To date (from a late start in March we have already provided support to 274 beneficiaries and created 48 new jobs.





## **Lancashire Enterprise Partnership Performance Committee Summary Update – 2<sup>nd</sup> September 2016 meeting**

### **Lancashire Enterprise Zone Programme**

#### **Achievements in the last two months**

##### **Lancashire Advanced Engineering & Manufacturing EZ - Samlesbury Site**

- Commencement of two new facilities on the Samlesbury site with both due for completion in Autumn 2016:
  - 135,000 ft<sup>2</sup> Wincanton Logistics facility – to be operational by December.
  - 60,000 ft<sup>2</sup> BAE Systems' Training Academy – to open in September.
- Main spine road connecting the A59 and A677 to be completed in September 2016.
- Work is on-going between specialist consultants and the County Council to develop detailed design and infrastructure requirements for site to enable commercial development.
- Advanced discussions with a number (five) of potential end-occupiers with a number of Non-Disclosure Agreements in place.
- Advanced discussions taking place with the Advanced Manufacturing Research Centre (AMRC) in Sheffield to establish AMRC NW at Samlesbury. The LEP's Growth Deal 3 Submission to Government in July 2016 contained a proposal to secure £15m worth of Growth Deal funding to support the delivery of AMRC North West (total project cost £69m).
- LCC with the North West Aerospace Alliance and Colliers attended the Farnborough International Airshow in July 2016 to promote Lancashire's aerospace capabilities and commercial opportunities at Samlesbury and Warton.

##### **Lancashire Advanced Engineering & Manufacturing Enterprise Zone - Warton Site**

- No further update since the last Performance Committee meeting.

##### **Blackpool Airport Enterprise Zone**

- There are 15 new jobs confirmed since commencement of EZ on 1<sup>st</sup> April 2016 and an estimated 350 jobs will be safeguarded.

##### **Hillhouse International Enterprise Zone**

- LEP's Growth Deal 3 submission contained a proposal to support A585 Junction Improvements to support accelerated delivery of Hillhouse International EZ.

#### **Current challenges**

- Delivery capacity.
- Securing end occupiers to stimulate infrastructure provision/development across the EZ sites.

- Develop and deliver a coherent approach to marketing Lancashire's EZ sites to ensure a non-competitive approach to securing inward investment opportunities/end-occupiers.

### **Future issues requiring a planned approach to their management**

- Modelling of Business Rates Growth income across the Enterprise Zone programme.
- Establishment of individual Project Boards to ensure delivery of each EZ site.
- Consistent approach to marketing of collective EZ programme and individual sites.
- Securing end-occupiers.

### **Other general observations**

- Freshfield working with Marketing Lancashire and the LEP has been appointed to develop a branding strategy for Lancashire's EZ programme. A stakeholder event which included representatives from the public and private sector who have an interest across the 4 EZ sites was held on 4<sup>th</sup> August 2016. The EZ Governance Committee meets on 1<sup>st</sup> September 2016 to consider taking this work forward.



## LEP – Sub Committee

### Performance Committee

**Private and Confidential: No**

**Date:** 2<sup>nd</sup> September 2016

### Monitoring and Evaluation Framework

**Report Author:** Kathryn Molloy, 01772 538790, [kathryn.molloy@lancashire.gov.uk](mailto:kathryn.molloy@lancashire.gov.uk)

#### **Executive Summary**

This report proposes the development of a Monitoring and Evaluation Framework which will identify, in a 'dashboard' reporting format, delivery progress against each of the LEP's key economic initiatives.

The Monitoring and Evaluation Framework will be reviewed at each meeting of the Performance Committee.

The report also proposes that future agendas of LEP Board contain standing items which will provide the Board with updates on delivery progress for each of its key economic initiatives. These are considered at this point to be the City Deal Programme, Enterprise Zone Programme, Growth Deal Programme, Boost Business Growth Hub and Growing Places Funding.

#### **Recommendation**

The Performance Committee is asked to:

1. Consider and approve the proposed Monitoring and Evaluation Framework; and
2. Propose to the Chair of the LEP Board, at its next meeting on the 13<sup>th</sup> September 2016, that future Board agendas contain standing items on each of the LEP's key economic initiatives, to include at this stage the City Deal Programme, Enterprise Zone Programme, Growth Deal Programme, Boost Business Growth Hub and Growing Places Funding.

### **Background and Advice**

#### **1. Development of a Monitoring and Evaluation Framework**

- 1.1 It is proposed that a Monitoring and Evaluation Framework is developed for consideration at all meetings of the LEP's Performance Committee.



- 1.2 The Monitoring and Evaluation Framework will be presented in a 'dashboard' format, capturing the following performance data for each of the LEP's key economic initiatives:
  - **Programme Targets to be achieved:** both financial and outcome/output level;
  - **Investment Profile:** funding secured, funding committed and actual funding spent;
  - **Project Delivery:** Projects contracted and projects completed;
  - **Project Outputs:** National funding resources secured, Jobs created/safeguarded, housing units built, commercial floorspace developed, businesses created/safeguarded, learner outcomes achieved, private sector match, private sector leverage, private sector match funding and GVA generated.
- 1.3 This information will be presented in a dashboard format, including a RAG rating to identify performance and any issues or risks. This information will be presented for each initiative and will also be aggregated to provide a snap-shot on the overall performance against the LEP's total economic outcomes as identified in the SEP.
- 1.4 It is also proposed that each LEP Board agenda contains standing on each of the LEP's key economic initiatives, to include at this stage, the City Deal Programme, Enterprise Zone Programme, Growth Deal Programme, Boost Business Growth Hub and Growing Places Funding. Other initiatives will be included should any be secured in the future. This will allow the Board to receive regular and concise updates on each of its key economic initiatives whilst also allowing the Performance Committee to undertake an in-depth review of each of the LEP's key economic initiatives based on Committee update reports and also the regular presentation of the Monitoring and Evaluation Framework.