



Company Number: 07388600

Lancashire Enterprise Partnership Limited Board

Tuesday, 31st January, 2017 in Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston, at 4.30 pm

Agenda

Part I (Items Publicly Available)

- 1. Welcome and Apologies for Absence**
- 2. Minutes of the meeting held on 8th November 2016 (Pages 1 - 6)**
- 3. Matters Arising**
- 4. Growth Deal Update**
Oral Update
- 5. Declarations of Interest (Pages 7 - 8)**
- 6. Welcome and Introduction to New LEP Directors**

Part II (Items that are Private and Confidential)

- 7. Advanced Manufacturing Research Centre (AMRC) North West - Presentation**

Part I (Items Publicly Available)

- 8. LEP Governance and Committees Decisions Report (Pages 9 - 24)**
- 9. LEP Operational Budget 2017-18 (Pages 25 - 30)**
- 10. Key Initiatives Report (Pages 31 - 46)**
- 11. LEP Assurance Framework Review (Pages 47 - 72)**
- 12. Strategic Economic Plan Refresh - Update (Pages 73 - 80)**

13. Industrial Strategy Update

Oral Update

14. European Structural and Investment Funds - Post Autumn Statement 2016 Update (Pages 81 - 86)

15. Marketing and Communications Update (Pages 87 - 94)

16. Combined Authority Update

Oral Update

17. Any Other Business

18. Date of Next Meeting

The next LEP Board meeting is scheduled to be held at 4.30pm, on 28th March 2017 in Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston.



Lancashire Enterprise Partnership Limited Board

Minutes of the Meeting held on Tuesday, 8th November, 2016 at 4.30 pm at the Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston

Present

Edwin Booth (Chair)

Mike Blackburn
Councillor Simon Blackburn
Jim Carter
Graham Cowley
Mike Damms

Richard Evans
Councillor Phil Riley
Professor Mark Smith
David Taylor
Councillor Mark Townsend

In Attendance

Joanne Ainsworth, Specialist Advisor Finance, Lancashire County Council
Brian Bailey, Head of Policy and Programmes, Blackburn with Darwen Borough Council
Ruth Connor, Chief Executive, Marketing Lancashire
Andrew Good, Head of Service Financial Management, Lancashire County Council
Neil Jack, Chief Executive, Blackpool Council
Martin Kelly, Director of Economic Development, Lancashire County Council
Dr Michele Lawty-Jones, Director Lancashire Skills Hub, Lancashire County Council
Andy Milroy, Senior Democratic Services Officer, Lancashire County Council
Pam Smith, Chief Executive, Burnley Borough Council
Jo Turton, Chief Executive, Lancashire County Council
Ginnette Unsworth, Head of Communications, Lancashire County Council
Ian Young, Company Secretary

1. Welcome and Apologies for Absence

The Chairman, Edwin Booth, welcomed all to the meeting. Apologies for absence were presented from County Councillor Jennifer Mein, Malcolm McVicar, Stuart Hirst and David Holmes.

2. Minutes of the meeting held on 13th September 2016

Resolved: That the minutes of the Board meeting held on 13th September 2016 be approved as an accurate record and signed by the Chairman.

3. Matters Arising

None

4. Declaration of Interests

Professor Mark Smith declared an interest in Item 15 – Health Innovation Campus Growth Deal Funding Approval. It was reported that his employer, Lancaster University have a direct interest in the project. The LEP Board agreed that Professor Smith would not vote on this item but could remain present for the item.

9. Developing a Strategic Marketing Proposition for Lancashire

The LEP Board agreed to consider this item first.

Ruth Connor, Chief Executive of Marketing Lancashire, presented a report (circulated) on the development of a marketing strategy for the Lancashire Enterprise Partnership.

Updates were provided on the developing Lancashire Economic Narrative which was due to launch on 9th November 2016 at an event due to be attended by Andrew Percy MP, the Northern Powerhouse (NPH) Minister.

In addition updates were provided on the marketing and communications strategy for all the LEP work streams, including City Deal and Enterprise Zone. It was noted that the main forthcoming promotional opportunities for 2017 included Place North West City Deal event (7th February 2017), Northern Powerhouse Conference (21st/22nd February 2017), MIPIM Cannes (14th to 17th March 2017) and a date to be determined for the Insider's Business of Lancashire Conference.

Resolved: The LEP Board

- (i) Noted the contents of the report.
- (ii) Approved the proposed approach to continuing to develop a strategic marketing proposition for Lancashire, as set out in the report; and
- (iii) Noted that the Chief Executive of Marketing Lancashire, as the LEP's Media Communications and PR lead, will continue to provide regular updates to the LEP Board on the strategic marketing outputs.

5. LEP Governance and Committees Decisions Report

Andy Milroy, Senior Democratic Services Officer, Lancashire County Council presented a report (circulated) which provided an update on recent LEP Committee meetings and LEP Governance matters.

It was highlighted that following a governance review the report proposed an amendment to the 2017 LEP meeting schedule. It was proposed that the frequency of LEP Board meetings be changed to quarterly with a revised programme for 2016 / 17 presented. It was also highlighted where possible, LEP

Committee meetings would be co-ordinated to meet in advance of the LEP Board meetings, broadly in line with the same quarterly meeting cycle, subject to each Committees individual requirements.

Resolved: The LEP Board

- (i) Approved the revised meeting schedule for 2016 / 17 as set out; and
- (ii) Noted the updates from each LEP Committee as presented.

6. Key Initiatives Report

Martin Kelly, Director of Economic Development, Lancashire County Council, presented as report (circulated) that updated the LEP Board following a proposal from the LEP Performance Committee that future LEP Board agendas contain a standing item on the LEP's Key Initiatives.

It was highlighted that the initiatives to be included at present are the City Deal Programme, Growth Deal Programme, Enterprise Zone Programme, Boost Business Growth Hub and Growing Places Investment Funding.

It was noted that with regard to the Blackpool Airport Enterprise Zone (EZ) achievements that since production of the report the number of new jobs confirmed since commencement of the EZ on 1st April 2016 had increased to 135.

In addition, it was noted that the format of the Key Initiatives report would be considered by the Director of Economic Development and the Chair of the LEP Board with a graphical form to be produced.

Resolved: The LEP Board noted the activity and progress made in delivering the key initiatives to date, as set out.

7. Enterprise Adviser Network

Dr Michele Lawty-Jones gave an oral update on the Lancashire Enterprise Advisor Network.

It was highlighted that following the Lord Young Review entitled 'Enterprise for All' a Careers and Enterprise Company (CECo) had been stabled to work with LEPs to establish Enterprise Advisor Networks with the intention to increase interactions between business / industry and young people. The programme was initiated in January in 2016 in Burnley and Blackburn with Darwen. 2 schools have been engaged and matched with 'Enterprise Advisers'.

It was noted that all Lancashire authorities supported the programme and that in terms of roll out across Lancashire funding has been secured for a further 2 academic years from September 2016 through Lancashire County Council and CECO. Targeted activity will now focus on areas and schools with lower attainment levels, greater levels of Not in Education, Employment or Training

(NEET) and absence levels. Roll out will begin in Pendle, Hyndburn and Rossendale, Blackpool, Morecambe and parts of Preston before the end of 2016. Further roll out across Lancashire will continue in May and September 2017.

Members of the LEP Board commented that links with the Universities was important and should be explored during the roll out.

Resolved: The LEP Board noted the updated with regard to the roll out of the Lancashire Enterprise Adviser Network.

8. LEP Achievements and Business Plan Documents

Andy Walker, Head of Service, Business Growth, Lancashire County Council presented a report (circulated) which updated the Board on the development of a Business Plan and detailed Operating Statement for the LEP moving forward.

It was highlighted that in order to ensure the LEP remains effective and compliant in relation to the delivery of key priorities, initiatives and investment programmes it is proposed by the Chair of the Board, that the LEP produces its first Business and Operational Plan. The Board noted the draft 'Our Achievements' document presented at Appendix 'A' to the report, along with the draft LEP Business Plan for 2017 / 2020 presented at Appendix 'B' to the report.

In addition it was noted that the LEP Performance Committee would be tasked with shaping and influencing the proposed Business and Operational Plan at its November 2016 meeting.

Resolved: The LEP Board

- (i) Noted the contents of the LEP Achievement document and requested that the LEPs communication lead – Marketing Lancashire continue to promote the work of the LEP as appropriate.
- (ii) Endorsed the priorities in the 2017 / 2020 Business Plan, accepting the need to align this work with the work programme of the Combined Authority; and
- (iii) Noted that a detailed Operation Plan considering LEP capacity and resourcing will be developed by the Performance Committee and presented to the LEP Board for final approval in the New Year.

10. Strategic Economic Plan and Growth Deal 3 Update

Martin Kelly provided an oral update on the Strategic Economic Plan (SEP) and Growth Deal 3 funding update.

It was reported that the LEP anticipates being informed officially on 23rd November 2016 of its Growth Deal 3 allocation. It is hoped that the response is positive to the Lancashire bids but it is recognised that Growth Deal 3 is

oversubscribed across the country.

Resolved: The LEP Board noted the update regarding the Strategic Economic Plan (SEP) and Growth Deal 3 funding allocation.

11. Combined Authority Update

The Chair of the Shadow Lancashire Combined Authority, Councillor Simon Blackburn provided an oral update, highlighting that work continued to progress towards the formalisation of the Lancashire Combined Authority and discussions were advancing regarding a Devolution Deal for Lancashire.

Resolved: The LEP Board noted the Combined Authority update.

12. Any Other Business

The Chair, Edwin Booth, provided an update on a potential visit to Lancashire by the Minister of State at the Department for Business, Energy and Industrial Action which might possibly take place in January 2017.

13. Date of Next Meeting

It was noted that the next LEP Board meeting was scheduled to be held on 31st January 2017, 4.30pm, County Hall, Preston.

Part II

At this point the LEP Board approved that the meeting move into Part II, Private and Confidential to consider the remaining items which contained exempt information provided in confidence as defined in the Freedom of Information Act 2000. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

14. LEP Board Directors Update

The LEP Board received an update and further background information relating to four individuals identified as possible LEP Directors. After consideration of the information the LEP Board endorsed all four individuals and recommended that the company member, Lancashire County Council, approve their appointment.

Resolved: The LEP Board endorsed all four individuals and recommended that the company member, Lancashire County Council, approve their appointment as LEP Directors as soon as possible.

15. Health Innovation Campus Growth Deal Funding Approval

Graham Cowley, Chair of Growth Deal Management Board, presented a report (circulated) that requested LEP Board approval to the Health Innovation Campus Growth Deal Funding application.

Resolved: The LEP Board approved the following provisions relating to a maximum Growth Deal funding approval of up to £17M towards Lancaster University's Health Innovation Campus project:

- (i) A funding approval of up to £17M is given subject to Lancaster University identifying alternative sources of funding or exploring the possibility of scaling down or re-phasing the project in the event that European Structural and Investment Funds (ESIF) are unavailable;
- (ii) That approval be given to an initial drawdown of a maximum of £1.5M of Growth Deal funding, prior to ESIF or alternative funding having been secured, which will be subject to clawback provisions in the Grant Funding Agreement (GFA);
- (iii) That in the event of further clarity regarding secured funding for the project not being provided by the end of Quarter 1 2017/18, the Growth Deal Management Board will undertake a review of the project and inform the LEP Board of its findings;
- (iv) That the Growth Deal Management Board receive further updates in relation to any requirements for the clawback of Growth Deal funding or the scaling down/re-phasing of the project in the event that reduced funding is secured; and
- (v) That the Growth Deal Management Board receive an update on the Health Innovation Campus project at each future meeting.

Agenda Item 5

Director's Declaration of Interest in Proposed Transaction or Arrangement

LANCASHIRE ENTERPRISE PARTNERSHIP LIMITED

Name	
Date of Notification	
Date of Consideration of Item (i.e. date of Board meeting)	31/01/17
Item Number (if relevant)	
Description of Transaction	
Nature of Interest	



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Tuesday, 31 January 2017

LEP Governance and Committees Decisions Report (Appendices 'A', 'B' and 'C' refer)

**Report Author: Andy Milroy, Company Services Officer, (01772) 530354,
andy.milroy@lancashire.gov.uk**

Executive Summary

This report extracts the key items considered by each of the Lancashire Enterprise Partnership (LEP) Board Sub-Committees at their recent meetings, and where applicable, and if not considered elsewhere on the Board's main agenda, contains decisions referred to the Board by the Sub-Committees for approval.

In relation to LEP Governance matters this report also contains the NIL dormant company accounts for the year ending 30th September 2016 for Board approval.

Recommendation

The LEP Board is asked to:

- (i) Note the updates provided in this report in relation to the Committees of the LEP.
- (ii) Approve the accounts and financial statements for the period ending September 2015 as set out at Appendices 'A' and 'B', and;
- (iii) Approve the revised Terms of Reference for the Growth Deal Management Board, and in doing so agree that Mick Allen and Katherine O'Connor from BEIS be formally appointed as Observers as set out at Appendix 'C'.

Background and Advice

The Lancashire Enterprise Partnership Board (LEP) approved a LEP Assurance Framework on 17th March 2015 which was subsequently submitted to Government as final in April 2015. The Assurance Framework is made publically available on the LEP website: <http://www.lancashirelep.co.uk/about-us/about-the-lep.aspx>



The Assurance Framework ensures that the LEP records decisions taken by the LEP and its Committees in an open and transparent way. The purpose is to ensure that arrangements are in place enabling effective and meaningful engagement of local partners and the public, and that those arrangements operate transparently with LEP decisions capable of being independently scrutinised.

Since the implementation of the LEP Assurance Framework, the LEP and its Committees publish their agendas and minutes on the LEP website. In order to ensure the LEPs decision making is open and transparent in relation to the Committees this report presents updates from each of the Committees and, where applicable, contains decisions that are outside of the Committees powers and require referral to the LEP Board for approval.

Governance Updates

Lancashire Enterprise Partnership – Approval of Dormant Accounts – Year Ending 30th September 2016 (Appendices 'A' and 'B' refer)

The Lancashire Enterprise Partnership (LEP) is a Company Limited by Guarantee and as such is subject to the Companies Act 2006 with regard to the filing of accounts and annual returns. The LEP does not conduct financial transactions itself as Lancashire County Council carries out this function, on behalf of the LEP, as the Accountable Body.

Therefore the LEP's accounts are in essence dormant, however the company is required to file NIL accounts on an annual basis. This report requests Board approval to the attached NIL accounts and financial statements (Appendices 'A' and 'B' refer) for the period ending September 2016 in order that they can be filed in line with statutory requirements.

Updates from recent LEP Committee Meetings

1. Executive Committee

Decision taken – 01 November 2016

The LEP Executive Committee approved an alteration to the Waterfall Payment Structure for the Lunesdie East Growing Places Investment.

2. Transport for Lancashire Committee

The Transport for Lancashire Committee, Chaired by CC Mein, met on 02 November 2016, and considered the following:

- The approach and selection criteria for defining a Lancashire Key Route Network as set out in the report was agreed
- An update on Transport for the North



- An update on the District of Lancaster Highways and Transport Masterplan

Full agendas and minutes for Transport for Lancashire meetings can be accessed here: <http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeId=956>

3. City Deal Executive and Stewardship Board

The City Deal Executive and Stewardship Board, Chaired by Jim Carter (Executive) and Danielle Gillespie (Stewardship Board) met on 18 November 2016, and, informally on 09 January 2017.

Executive and Stewardship Board Meeting – 18 November 2016

The Executive and Stewardship Board considered the following:

- Jean Hunter, CEO at South Ribble Borough Council, was welcomed to the Board.
- A report on the Preston City Centre Living Strategy presented by Cushman and Wakefield. The Committee received and commented.
- An update on the HCA Business and Disposal plan.
- Reallocation of the £80,000 currently identified for the Blackpool Road Section of the Guild Wheel to public realm works in Cannon Street Works instead, in order to enable the scheme to be completed with the Blackpool Road improvement scheme to be picked up as part of the longer term reinstatement works was agreed.
- A report on the Resources Review. Agreed that a report on the three phases of delivery of the Resources Review be presented to the January meeting.
- That, given the extensive experience of the County Council City Deal Highways Team in successfully delivering cycling improvement projects, and the potential risks on cost and delivery schedule of a tendered contract, the City Deal Executive and Stewardship Board approve the Tom Benson Way Cycling Scheme being delivered through the City Deal Highways Team.
- An update on the Cuerden Strategic Development Site.
- An update on the Markets Quarter City Centre Developments, considered in Part II, and agreed in principle to support the development through the City Deal mechanisms in the event that it requires public sector support to assist delivery. It was also requested, in line with the City Deal Agreement and the Terms of Reference of the Stewardship Board, that the Stewardship Board review appropriate development mechanisms and present recommendations to the Executive as these come forward.
- An update on the Preston Housing Zone, considered in Part II, was noted and approval given for the development of a bid for additional Capacity Funding from the HCA to support the Preston Housing Zone initiative.

Executive and Stewardship Board Informal Meeting – 09 January 2017

The Executive and Stewardship Board met informally on 9th January 2017 to consider a marketing strategy for the City Deal and further develop the strategy with assistance from the LEP's marketing partners Marketing Lancashire and Freshfields.

Full agendas and minutes for the Combined City Deal meetings can be accessed here: <http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1072>

4. Growth Deal Management Board

The Growth Deal Management Board, Chaired by Graham Cowley, met on 07 December 2016 and considered the following:

- An update on the Programme Evaluation, considered in Part II, presented by Warwick Economics and Development.
- An update on the Grant Funding Agreement for the Rawtenstall Development Zone, considered in Part II, and agreed to continue discussions regarding revised outputs with the option to reappraise if necessary
- An update on the Lancaster Health Innovation Campus, considered under Part II
- An update on the programme and projects, considered under Part II, and agreed actions on a number of projects
- An update on projects requesting additional funding, considered under Part II. It was agreed that a paper on skills capital and the Area Based Review be brought to the next meeting
- An update on Social Value
- That Mick Allen and Katherine O'Connor from the Department for Business, Energy and Industrial Strategy (BEIS) should be added to the committee formally as observers.
- The 2017 meeting programme. The group discussed a reduced programme but agreed that they would not reduce the meeting frequency

The reports and minutes for Growth Deal Management Board meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1218>

5. Enterprise Zone Governance Committee

The last meeting of the Enterprise Zone Governance Committee, Chaired by Edwin Booth, met on 26 September 2016. The next meeting will be held on 06 March 2017.

However, a written resolution was agreed on 02 November 2016 that the MOU for Blackpool Airport EZ and Hillhouse International EZ would be amended to include the following commentary: "An agreed strategic marketing approach is being developed in conjunction with Marketing Lancashire, Lancashire Enterprise



Partnership, Blackpool Fylde and Wyre Economic Development Company, relevant local authority stakeholders and private sector development partners. This approach will be in place by March 2017 and supported by an agreed enquiry handling protocol”.

Full agendas and minutes for the Enterprise Zone Governance Committee meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1171>

6. Lancashire Skills and Employment Board

The Skills and Employment Board, Chaired by Amanda Melton, met on 30 November 2016, and again on 11 January 2017.

Board meeting held on 30 November 2016

The Board considered the following:

- An update explaining that £2,000 would be contributed to the Construction Industry Training Board study in relation to skills shortages across Lancashire in construction and the supply of relevant provision; the study will broaden the report which focused on the City Deal skills and employment implications
- An update stating that the Government had announced £60 million funding targeting ten opportunity areas aiming at helping local children get the best start in life. Blackpool had been identified as an opportunity area and Blackpool Council had invited Graham Cowley, Chair of the Growth Deal Management Board and LEP Board member, to Chair their Partnership Board in relation to the Opportunity Fund.
- An update that the SFA had written to the ESIF Committee to request support to extend the three opt-in contracts for four months to the end of July 2018. The SFA had also asked to vary the Memorandum of Understanding between the SFA and the LEP to reduce the level of co-finance. This freed up the monies currently allocated to the SFA opt-in (£13.67m).
- A progress report on Digital Advantage
- A presentation on Adult Learning in Lancashire
- An update on the Area Based Review
- An update on the Combined Authority
- A presentation on the ESF Moving On project from Preston's College reporting performance to-date and risks

Board meeting held on 11 January 2017

The Board considered the following:

- An update on the ESIF programme. The Committee discussed the remainder of the funding to be allocated and priorities, and requested that proposals be brought to the next meeting
- Proposals regarding the Skills Funding Agency Opt-in Capacity Building and Engagement Activity plans, including activity and funding allocations were agreed



- An update on the Area Based Review and agreement of evolving recommendations
- The 2017 meeting programme. The Committee agreed to reduce the programme to four formal meetings per year, but to keep the additional meetings in the diary in case formal decisions are required, and if not, hold informal workshops in their place.

The Skills and Employment Board also held a strategic planning session on the same day as the 11th January 2017 Board meeting at Runshaw College, which involved colleagues from the shadow Combined Authority. The session enabled a review of achievements to-date, the policy environment and evolving priorities, taking into consideration the proposed collaborative approach emerging between the LEP and the Combined Authority in relation to skills and employment.

Full agendas and minutes for the Lancashire Skills Board meetings can be accessed here: <http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1011>

7. Performance Committee

A meeting of the Performance Committee, Chaired by Richard Evans, met on 16 January 2017.

Performance Committee meeting held on 16 January 2017

The purpose of the meeting was to consider the Business and Operation Plan, considered in Part II, and submit a draft to the LEP Board for approval. This item is to be considered under a separate item on this agenda.

Full agendas and minutes for the Performance Committee meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1216>

8. Business Support Management Board

The Business Support Management Board, Chaired by Mike Blackburn, met on 19 January 2017.

The Board considered the following:

- A report on the ESF Workforce Training Programme
- A report on ERDF Funded Business Support Projects in Lancashire
- A report on provisions to support Scale-Up Businesses
- A report on the suggested work programme for 2017

Full agendas and minutes for the Business Support Management Board meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1220>



Lancashire
Enterprise Partnership

Registered Number 07388600
LANCASHIRE ENTERPRISE PARTNERSHIP LIMITED
Dormant Accounts
30 September 2016

Balance Sheet as at 30 September 2016

	2016	2015
	£	£
Net assets	0	0
Reserves	0	0

STATEMENTS

- a. For the year ending 30 September 2016 the company was entitled to exemption under section 480 of the Companies Act 2006 relating to dormant companies.
- b. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- c. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- d. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 31st January 2017

And signed on their behalf by:

Edwin Booth, Director

NOTES

Company is limited by guarantee

COMPANY NUMBER: 07388600

LANCASHIRE ENTERPRISE PARTNERSHIP LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30th September 2016

Balance sheet as at: 30th September 2016

The company is a Company Limited by Guarantee and therefore has no share capital.

NET ASSETS/LIABILITIES **£NIL**

Notes:

1. The list of Registered £1.00 Guarantor Class of Members of the Company is as follows:

 Lancashire County Council.
2. The period end bank and cash balances were nil.

Statements:

- a) For the period from 30th September 2015 to 30th September 2016 the company was entitled to exemption from audit under Section 477 of the Companies Act 2006.
- b) The members have not required the company to obtain an audit in accordance with Section 476 of the Companies Act 2006.
- c) The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to Companies subject to the small companies regime.

These accounts were approved by the directors of the Company on 31st January 2017.

Ian Young, Company Secretary

GROWTH DEAL MANAGEMENT BOARD

TERMS OF REFERENCE (JANUARY 2017)

Composition

1. Unless otherwise agreed by the LEP, the Growth Deal Management Board shall comprise a minimum of 6 members and a maximum of 10.
2. The Chair and membership of the Growth Deal Management Board shall be appointed by the LEP.
3. The Chair of the Growth Deal Management Board shall be a Director of the LEP Board and a member of the LEP's Performance Committee.
4. The Members of the Growth Deal Management Board, as at the date of adoption of these Terms of Reference, are as follows:

Graham Cowley (Chair) *LEP Director, Executive Director Local Government, Development and Regulatory Services, Capita Local Government, Health and Property*

Sue Procter *Director, Programmes and Project Management Lancashire County Council*

Alan Cavill *Director of Place, Blackpool Council*

Brian Bailey *Director of Growth and Prosperity, Blackburn with Darwen Borough Council*

Dr Michele Lawty-Jones *Director, Lancashire Skills Hub*

Gareth Smith *Project Director and Head of Regeneration, Barnfield Investment Properties*

Professor Robert Walsh *Director of Research and Innovation, UCLAN*

Julie Whittaker *Economic, Housing and Regeneration Manager, Pendle Borough Council*

Observers:

Katherine O'Connor *Department for Business, Energy and Industrial Strategy*

Mick Allen *Department for Business, Energy and Industrial Strategy*

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 Growth Deal Management Board 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.

Chair and Deputy Chair

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

Quorum

9. The quorum for Growth Deal Management Board meetings shall be 3, including the Chair.
10. If within 15 minutes from the time appointed for the holding of a Growth Deal Management Board meeting a quorum is not present, the meeting shall be adjourned. The Secretary shall arrange for the meeting to take place within 2 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

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

Meeting Frequency

13. The Growth Deal Management Board shall meet according to operational need.

Decisions in Writing

14. A resolution in writing signed by the majority of the members of the Growth Deal Management Board for the time being shall be as valid and effectual as if it had been passed at a meeting of the Growth Deal Management Board.

Remit

15. The Growth Deal Management Board's primary responsibility is to ensure the implementation of the Growth Deal and to make strategic recommendations to the LEP Board in this regard.
16. The Growth Deal Management Board shall:
 - Implement and monitor the Growth Deal in accordance with the Growth Deal Implementation Plan and Growth Deal Monitoring and Evaluation Framework;
 - Ensure that the Growth Deal Implementation Plan and Monitoring and Evaluation Framework are updated according to operational need, and annually as a minimum;
 - Oversee the work of the Monitoring and Evaluation Sub Group, receive quarterly reports from the same and approve the submission of quarterly monitoring reports;
 - Ensure that any conditions attached to Local Growth Fund funding agreements are discharged appropriately;
 - Refer to the LEP Board any issues arising if project sponsors are unable to comply with the Growth Funding principles agreed by the LEP Board;
 - Make recommendations to the LEP Board on any proposed material changes to funding profiles, including redirecting significant resources in year and between projects; and
 - Make recommendations to the LEP Board (who in turn would need to seek approval from Government) on any proposed material changes to project funding in the event of non-delivery, and / or the withdrawal of grant offer.

Governance Relationship with the LEP

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

Relationship with Lancashire County Council

22. Lancashire County Council, as accountable body to the LEP, shall provide programme management, economic development, financial, administrative and legal support to the Growth Deal Management Board.
23. The Growth Deal Management Board will be supported by consultants appointed to advise on the implementation of the Growth Deal Monitoring and Evaluation Framework.
24. Lancashire County Council shall maintain an official record of the Growth Deal Management Board proceedings and a library of all formal Growth Deal Management Board documents.

Publication of Papers

25. The agendas and papers of the Growth Deal Management Board will be published on the LEP's website in accordance with the LEP's Assurance Framework.

Confidential Working Draft



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Tuesday, 31 January 2017

LEP Operational Budget 2017-18

**Report Author: Kathryn Molloy, Tel: 01772 538790,
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Executive Summary

This report proposes an Operational Budget for the LEP for the financial year 2017-18. The Operational Budget identifies revenue spend on LEP priorities, including research and studies, delivery of marketing and communications activities, place-making, business growth, investing in growth and key sectors activity. It also includes operational support, including subscriptions, and staffing costs funded directly by the LEP.

The Operational Budget has been produced under the guidance of the LEP's Performance Committee which met on the 22 November and more recently on the 16 January. In setting the Operational Budget for 2017-18, the Committee has reviewed the LEP's previous and current income streams, budget position and staffing and resource capacity.

The Committee is also proposing additional staffing resource be funded by the LEP, which will assist in enhancing investment and place-making capacity, and the work of partners in developing a robust strategic project pipeline and progressing locally and nationally significant economic growth schemes.

Recommendation

The LEP Board is asked to:

- (i) Consider and approve the Operational Budget for 2017-18, as set out in this report, including the proposal to fund additional staffing resource in 2017-18 and 2018-19 on an initial two-year fixed term basis to enhance LEP core capacity;
- (ii) Authorise the Performance Committee to work with the County Council, as Accountable Body for the LEP, to finalise employing arrangements for the proposed additional posts; and
- (iii) Approve the Performance Committee to oversee the production of



Management Accounts for 2016-17, which will include a final outturn figure, and present this information to the Board early in the next financial year.

Background and Advice

In producing the LEP’s Operational Budget Plan for 2017-18, the Performance Committee has worked with County Council officers to produce a summary of annual running costs for the LEP in 2016-17. These are shown in Table 1 below.

Table 1 includes staffing, specifically those posts paid for directly by the LEP using the interest generated by the Growing Places Investment Fund, and those posts paid for (in full and in part) by LCC which provide core support to the LEP. Posts paid for in full by the LEP include the Head of LEP Co-ordination, Growth Deal Programme Manager, Skills Hub Director and Skills Hub Manager. A contribution of one third is also made towards the post of the County Council’s Director of Economic Development.

Revenue activity incurred to date including research, studies and marketing activity has also been included in Table 1, as well as LCC’s direct contribution to Marketing Lancashire and its match funding for LEP projects, including Boost and the Skills Hub, as these key investments enable the LEP to deliver its strategic objectives.

The Board is asked to note that there are other costs associated with the LEP which have not been included. These costs are primarily wider Accountable Body support including staff from LCC’s Economic Development function and transactional support staff in LCC’s finance function as well as office accommodation and related overhead costs.

Table 1: LEP Summary of Running Costs 2016-17

Activity	Amount
Staffing – provided by LCC and paid for by LEP	£299,422
Staffing – provided by LCC and paid for by LCC	£134,433
Running costs – including subscriptions	£54,513
Revenue activity (as at December 2016) – including research, studies and Growth Deal Independent Appraisal of Business Cases	£225,069
Marketing activity – paid for by the LEP which includes SKV contract, Lancashire Narrative development and events	£234,787
LEP contribution to LCC Company Services	£43,000
Marketing Lancashire – LCC core funding contribution	£400,000
LCC match funding to LEP Projects – Boost, Skills Hub and match funding to secure DCLG Core Funding Grant	£778,333



Total	£2,169,557
Note: Marketing Lancashire is the vehicle through which the LEP delivers its strategic marketing priorities, so it is referenced in this context as without it an alternative would need to be found.	

Table 2 below sets out the proposed Operational Budget for the LEP for 2017-18. Proposed spend in 2017-18 is £1,200,640. Income which supports the delivery of this proposed spend is made up of £500,000 of income received from Government in the form of Strategic Funding and Core Funding, £250,000 of direct match funding provided by the County Council and Growing Places interest.

The Board will recall that in previous years, the LEP’s annual revenue spend has been agreed by the Executive Committee with the completion of a Core Funding application to drawdown £250,000 of Government grant funding. The LEP’s annual Core Funding allocation from Government has been secured by the County Council with a match funding contribution of £250,000. The County Council has committed to provide £250,000 of match funding in 2017-18.

Proposed spend in Table 2 has been categorised in line with the LEP’s Business Plan activity headings.

Current staffing funded by the LEP using Growing Places interest has been included as well as the proposed additional staffing resource to support and enhance investment and place-making capacity, and the work of partners in developing a robust strategic project pipeline and delivering locally and nationally significant economic growth schemes. These additional posts include a Head of Investment, Team Leader and Administrative Support Officer. This element of the budget is for two years, 2017/18 and 2018/19. The posts will be offered on a two-year fixed term basis and, subject to Board approval, it is proposed that the Performance Committee work with the County Council, as Accountable Body for the LEP, to finalise employing arrangements.

Table 2 also includes costs associated with proceeding with the independent appraisal of remaining projects in Growth Deal 1 and 2, as well as new projects to be funded by Growth Deal 3.

A budget line has been included for transport and connectivity strategic case-making support. In previous years, the LEP has invested almost £500,000 on Local Transport Body related activity including establishment of independent scheme analysis and appraisal and studies.

As part of the LEP’s focus on raising the profile of Lancashire in 2015-16 and 2016-17, specifically through the appointment of dedicated marketing and communications support provided by SKV Communications Ltd, the development of the Lancashire Narrative and attendance at events and exhibitions, marketing costs totalling £142,000 have been included in the proposed 2017-18 Operational Budget. This figure includes provision for marketing Lancashire’s Enterprise Zones following the



development of the Lancashire Enterprise Zone Cluster Programme, which includes an agreed brand framework and investor handling protocol for each EZ site.

Proposed spend also includes a significant focus on the refresh of the SEP as well as developing the LEP's understanding of productivity and innovation challenges and opportunities in the local economy, and in positioning Lancashire to play a full role in Government's emerging Industrial Strategy.

Table 2: LEP Proposed Spend 2017-18

Business Plan Themes	Activity to be funded (all third party spend)	Amount
Resource and Capacity	Current staffing paid for by the LEP	£302,416
	Proposed additional staffing to be paid for by the LEP	£144,924
LEP Operational Support	LEP Network Annual Subscription	£6,000
	NW Research Collaboration Annual Contribution	£12,300
	Growth Deal 2 and 3 Independent Business Case Appraisal	£90,000
	LEP attendance at events and other expenses	£10,000
	Contribution towards LCC Company Services	£43,000
Strategy	SEP Refresh (design, print, economic forecasts)	£30,000
	Development of case-making to secure National Productivity Innovation Funds	£30,000
Place Making	Investment Co-ordination	£65,000
Business Growth	Industrial Strategy Positioning / Document	£50,000
	Actions arising from Innovation Plan	£25,000
	Actions arising from Internationalisation Plan	£25,000
	Actions arising from Productivity Study	£25,000
Investing in Growth	Development of a 'Fund of Funds' and Growing Places Fund appraisal	£40,000
	Project pipeline development and analysis	£30,000
Key Sectors	Development of sector propositions	£75,000



Marketing and Communications	External PR and Marketing Support to the LEP	£42,000
	Marketing Lancashire and EZ offer at Paris Airshow	£10,000
	Generic EZ Marketing Materials	£45,000
	Supporting establishment of Lancashire Ambassador Programme	£15,000
	Exhibitions and sponsorship of activities – EZ and place marketing	£30,000
	LEP website maintenance	£10,000
Strategic Transport / Connectivity	Strategic case making support	£45,000
Total Spend		£1,200,640

It is proposed that the Performance Committee oversees the production of Management Accounts for 2016-17, which will include a final outturn figure. This information will be presented to the Board early in the next financial year.



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Tuesday, 31 January 2017

Key Initiatives Report

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Executive Summary

This report captures activity and progress made in delivering the LEP's key initiatives; City Deal Programme, Growth Deal Programme, Enterprise Zone Programme, Boost Business Growth Hub and Growing Places Investment Funding.

The report specifically identifies achievements, current challenges, future issues, financial and non-financial performance metrics, potential risks and any general observations relating to the initiatives identified above.

Recommendation

The LEP Board is asked to note and comment on the updates received on each of the LEP's key initiatives.

Background and Advice

This report captures activity and progress made in delivering the LEP's key initiatives, specifically City Deal Programme, Growth Deal Programme, Enterprise Zone Programme, Boost Business Growth Hub and Growing Places Investment Funding.

To ensure consistent information is provided to the Board on each of the above initiatives, the following information has been captured for each:

- Achievements in the last three months;
- Current challenges;
- Future issues;
- Financial and non-financial KPIs including programme spend to date including other
- funding or resources leveraged, jobs created, commercial floorspace created and
- housing unit completions;
- Newly identified potential risks; and



- Other general observations.

Programme updates are provided below for the Board's information.

City Deal Programme

This report provides an update on the City Deal Year Three Quarter Three key performances, noting achievements in the last quarter, current challenges and future issues.

Unlike in the previous quarter, there are no metrics by which to measure performance against, particularly with regard to housing, as these are collected on a six-monthly basis and will be next reported in May 2017. As such the report focusses primarily on infrastructure delivery.

Infrastructure Delivery

Progress continues to be made with the delivery of critical infrastructure in the Business Plan, including:-

- Broughton Bypass - under construction and progressing as planned with completion expected in August 2017.
- Preston Western Distributor (PWD) The planning application was submitted and is expected to be determined in Q1.
- The East West Link Road (EWLR) – the planning application was submitted and is expected to be determined in Q1.
- Penwortham Bypass - planning application has been submitted with determination expected to be in Q1/Q2.
- A582 Dualling - planning application is due to be submitted but is subject to additional ecological survey work and a second public consultation being required. An updated programme profile is being developed.
- Preston Bus Station - Works have commenced on the Car Park repairs and the design for the improved concourse and bus station has been finalised. Planning applications for on-site highway works have been submitted.

Housing Delivery

Progress continues to be made in terms of the development of key housing sites as follows:

- Moss Side Test track in Leyland - the site masterplan consultation has been published with an expectation that a planning application for the re-development proposals will be submitted in spring 2017. It is anticipated that construction could start as early as the end of 2017/early 2018.



- Pickering's Farm - Officers continue to work with principal landowners and developers, Taylor Wimpey and HCA, to move this site forward, initially through the development of a site masterplan.
- North West Preston - build out rates on this site are continuing positively which suggests a more confident outlook for sales going forward.
- Government announced in January 2017 that the City Deal is amongst the first wave of 30 local authority partnerships – selected on the basis of their potential for early delivery – to be successful in securing Starter Homes fund, working in partnership with the HCA to bring forward land for Starter Homes capable for build out by private developers by 2020, taking advantage of the various Help to Buy products.
- Over 600 Starter Homes will be developed on sites with a total housing unit build of c1, 200.
- City Deal Bid submitted for HCA Large Sites and Housing Zone Capacity Funding to enable more robust development management arrangements to be introduced, providing enhanced pre-planning, planning, post planning and construction support and expertise.

Commercial Delivery

- The Samlesbury Aerospace Enterprise Zone has seen completion of the new logistics centre and training facility.
- Consultation undertaken on Cuerden development proposals with a planning application being prepared for submission in quarter 4.

Current challenges

Whilst progress on outputs presented previously has been strong, targets for future years will accelerate, and therefore delivery progress on employment and housing sites must be maintained.

The following represent the major current challenges that are being monitored and dealt with through a Risk Management programme;

Infrastructure

- As schemes are progressing through the design stages more certainty is now being gained on costs and in some cases funding pressures are emerging. Mitigating action is being taken to value engineer and prioritise schemes within the business plan as well as identifying additional funding sources where necessary.

Housing

- Some house-builders are building out at a slower rate than anticipated on some sites.
- Some developers and house-builders continue to monitor the impact of Community Infrastructure Levy payments on viability.



Commercial

- Office (anchor tenant) demand and viability issues have led to a revision of some City Centre development timescales.
- Delivery of commercial floor-space connected to complex mixed-use sites is delaying some site development.

Future issues

At a national level, potential changes to New Homes Bonus, Business Rates and the Community Infrastructure Levy all have the potential to significantly impact the deliverability of the programme.

The City Deal Executive & Stewardship Board have commissioned a Resources Review in order to understand and prepare for the potential impact and to inform future discussions with Government. The Chair of the Executive attended the LEP's Performance Committee in September and a programme of work to provide assurance on; 1) keeping pace with the programme milestones, 2) value for money and 3) social value, is under way, with an interim report being taken to the City Deal Executive in February 2017.

At a local level, in the medium to long-term, the following issues may require particular interventions to help mitigate/resolve;

Housing

- There are a number of large sites that have complex site specific technical issues that require overcoming.
- Uncertainty brought about by Brexit may dampen developer activity/consumer demand.
- Labour and materials shortages may lead to developer competition for resources and slow build out rates.

Commercial

- Uncertainty brought about by Brexit may dampen developer activity/consumer demand.
- Competing demand for residential uses in City Centre sites may squeeze out some commercial uses.

Growth Deal Programme

Background

The £252m Lancashire Growth Deal funding allocated was provided to kick-start nearly 40 major initiatives across the county linked to economic growth, infrastructure, jobs, skills and regeneration.

By 2021, this Deal is expected to bring to Lancashire's economy:



- 4,000 jobs
- 3,000 homes
- £140m additional investment from private and public sector partners.

The Growth Deal identifies four key priorities which rooted in maximising the area's competitive economic strengths. The four key priorities are:

- Releasing Growth Potential
- Renewal of Blackpool
- Growing the local Skills and Business base
- Innovation and Manufacturing Excellence

Position Summary

99% of the Growth Deal funding has been allocated to projects, together with 75% of the projects within the programme having completed contracting in line with their original objectives.

Of the 39 projects within the Growth Deal programme, 32 have received LEP Board funding approval, 29 have a Grant Funding Agreement in place, with a further 3 projects due to complete their Grant Funding Agreement during January 2017. The remaining 7 projects will be brought forward for LEP Board Approval within relevant timeframes.

The programme is delivering in accordance with its agreed milestones and profiles, with no significant issues to report on the 'live' projects within the programme.

Current Challenges

- To ensure all 'live' projects within the programme continue to deliver in accordance with contracting / agreed profiles.
- To ensure transport projects understand / report against mandatory core metrics.
- To continue to working closely with the M55 to St Anne's Link Road scheme sponsor and other partners to ensure delivery of this complex scheme which has a Growth Deal allocation of £2m.
- To monitor progress in relation Lancaster University's application to secure £12m ESIF match funding for the Lancaster Health Innovation Campus scheme.
- Conclude contracting for the three remaining schemes with a LEP approval in place.
- Promote activity via an effective communications strategy aligned to project milestones.

Future issues / Risks

- Ensure the seven remaining projects within the programme, which require LEP approval, are brought forward in line with funding timescales identified by the Project Sponsor.
- Ensure projects fulfil their contractual requirements, in terms of both spend and output/outcome delivery, contributing to the overall performance of the programme.



- Ensure projects realise their full potential, collectively meeting or exceeding Lancashire Growth Deal outcomes.

Finance

£252m Growth Deal funding was awarded to Lancashire. All funding has been allocated to projects, with the exception of £1.80m unallocated funding as part of the £30m Skills Capital funding. This has been set aside until 2018-19 pending the outcome of the Area Based Review.

2015-16 Spend:

- There were total payments to Growth Deal listed projects of £30.51m in 2015-16 out of a total funding received of £39.35m;
- There is a need for project slippage from 2015-16 (£8.84m) to be recouped where possible in 2016-17 and future projects to keep on track with their spend profile;
- The 2015-16 payments were audited in August 2016 as part of DCLG governance requirements. The audit report was very positive in the Accountable Body and the LEP's management of the funds received.

2016-17 Spend to date (as at end of Quarter 2 2016-17):

- This shows there are 30 projects with spend due in 2016/17;
- The current anticipated profile at September 2016 is:-

Qtr. 1 to June 16	£ 3.658m	actual payments
Qtr. 2 to Sept 16	£ 10.301m	actual payments
Qtr. 3 to Dec 16	£ 11.809m	forecast
Qtr. 4 to March 17	£ 27.632m	forecast
Total	53.40m	

Outputs / Outcomes

The programme is in its infancy in relation to realising the outputs and outcomes identified for each scheme and overall. However with 29 projects now delivering and significant reporting expected to commence in 2017-18, in line with capital spend profiles, the reporting of outputs and outcomes is expected to intensify.

A comprehensive programme of on-site monitoring visits and claims received to date demonstrate significant progress on live schemes, with all projects delivering in accordance with their contracted milestones.

Attention is focussed on bringing forward the remaining seven projects which require LEP approval, in order to confirm their contribution toward the Growth Deal objectives.

Social Value

The Growth Deal Management Board (GDMB) is committed to maximising the Social Value benefits of Growth Deal projects.



In order to help realise this aspiration a [Social Value toolkit](#) has been produced, and is available to view on the LEP website. The toolkit is a working document and will be updated as appropriate as the programme develops and more providers are engaged.

The toolkit, when combined with the Growth Deal Social Value reporting structure, enables both the projects and programme as a whole, to realise Lancashire's Growth Deal Social Value impact.

To date 86% of 'live' projects within the programme have forecasted social value activity, with 'actuals' captured on a 6 monthly basis.

Positive feedback has been received from BEIS with regards to the LEP's Social Value activity and the LEP is one of only a few focussed on this agenda.

Evaluation

External consultants, Warwick Economics and Development Ltd, were appointed in January 2016 to commence a three-year evaluation of the Growth Deal programme. The evaluation will include:

- A 'Project level' evaluation for each of the projects within the programme;
- An 'Exemplar Evaluation' for 6 selected projects within the programme ; and
- An 'Annual evaluation' of the Growth Deal programme.

An 'Early Progress Evaluation Report' was presented to the GDMB on 7 December 2016, who were encouraged by both the findings and progress made to date.

Lancashire Enterprise Zone Programme

Samlesbury Aerospace Enterprise Zone

Achievements

Programme Management

Lancashire County Developments Ltd (LCDL), through the Strategic Development Team, is continuing to fulfil its Project Management role on behalf of the LEP and the County Council to progress the development of the Samlesbury Aerospace Enterprise Zone (SAEZ).

The Team continues to work closely with SAEZ Governance Committee members and the BAE Operations Team to progress a range of commercial, technical, environmental and business plan related matters to advance the development of the site in accordance with the Local Development Order. This work continues to be supported by a range of technical and commercial advisors who are managed by the Strategic Development Team.



Commercial Development Framework

The site's Commercial Development Framework, completed in early 2016, identified the optimum location for the site's access road and the best configuration of potential commercial plots to optimise development potential whilst also catering for a range of sizes and types of commercial units on site in support of the Advanced Engineering and Manufacturing sector. The development/delivery options for the plots/site remain flexible to accommodate market requirements.

Spine Road Programme

The LCC Highways construction programme for the Spine Road, connecting the A59 to the A677 (the Spine Road), remains on programme for completion in the spring of 2017 with access now in place to the first two SAEZ business occupants, the BAE Academy for Skills and Knowledge (ASK) and the Wincanton Defence Logistics Facility. The Phase 1 drainage strategy has also been completed.

Academy for Skills and Knowledge (ASK) Completion

The £16 million 7,400 sq m ASK facility is now complete and was officially opened on the 1 December 2016. Over 50 new BAE apprentices are occupying the learning space, completing general and specialist practical engineering. At any one time circa 60 existing apprentices will be undertaking further education training in the Academy. On a national basis, BAE recruited 667 apprentices in the UK, of which 182 joined the military aircraft business. This 'overtraining' principle also applies to Lancashire, providing a skilled workforce market for other Lancashire businesses to recruit from. The ASK also houses 23 training staff and eight further office and administration staff.

Defence Logistics Facility Completion

The circa £15million, 15,000 sq m Defence Logistics Facility is now occupied by Wincanton, following its practical completion in October. The building is currently being fitted out and will be fully occupied by 150 Wincanton staff in early 2017.

Appointment of Commercial Property Agents

In spring 2016, Colliers International Property Agents were appointed to market the SAEZ. Colliers have continued to work with the LEP, Marketing Lancashire and the County Council to develop a comprehensive marketing strategy for the site.

Branding

The LEP recently approved an overarching brand for Lancashire's four Enterprise Zone sites, with "Lancashire Advanced Manufacturing Cluster" as the parent brand. The official name for the Samlesbury site is the Samlesbury Aerospace Enterprise Zone (SAEZ), and a range of marketing materials have now been prepared for the site including brochure/ website and signage.



The SAEZ is the first of Lancashire's Enterprise Zones to have a brochure branded in accordance with the new and recently approved LEP Branding Guidelines. A dedicated website is now live and will continue to be developed www.samlesburyaerospaceEZ.com.

Site marketing and letting signs will be installed early in 2017 on the site in tandem with further marketing of the site's potential as a high quality advanced manufacturing and engineering business destination.

Enquiries

The team also continues to progress a range of commercially confidential AEM enquiries for the site.

Current Challenges

The focus over the next 6 months will be to complete the Spine Road in a timely manner. This work package will include the construction of the complex cross road junction which will provide access to the SAEZ and the BAE Operational site.

To ensure effective co-ordination of works a technical working group with LCC and BAE Systems, supported by consultants, is meeting on a regular basis to develop a comprehensive construction plan.

LCC Highways Colleagues are also developing proposals to undertake additional off site works in the vicinity of the Samlesbury site, the implementation of which is dependent upon statutory processes.

The development of the broader SAEZ site will be reliant upon further essential infrastructure to enable the delivery of commercial business plots. Specialist consultants continue to advise in respect of this.

The marketing of the SAEZ will continue to be aligned with the Lancashire Advanced Manufacturing & Energy Cluster.

Future issues

There is a continued need to ensure a co-ordinated and targeted marketing and delivery programme to secure end users and deliver development on site.

Financial and Non-Financial KPIs

	Q1	Q2	Q3	Q4
The value of any new public sector capital investment on the zone	£50,000	£2,615,874	£300,000	
The value of any new private sector investment on the zone	£6,000,000		£1,500,000	£1,010,000



	Q1	Q2	Q3	Q4
The number of newly created jobs, excluding construction jobs on the EZ	0	2	10	0
the change in the number of newly created construction jobs on the EZ	0	45	0	0

	Q1	Q2	Q3	Q4
The area of land was reclaimed and made ready for the development on the zone	0	23.5ha	0	0
The commercial floor space constructed on the zone	0	7400sqm ASK 15103sqm Wincanton	0	0

Warton Aviation Enterprise Zone

- Two new occupiers located to the site in 2015; Accenture and Trescal creating circa 30 new jobs.
- Completion of site masterplan by BAE Systems.
- Work is underway between BAE Systems, the LEP and the County Council to understand infrastructure requirements both on and off site.

Blackpool Airport Enterprise Zone

- There are circa 420 additional jobs attributed to the site, of which circa 135 are new jobs.
- MoU signed between the LEP, Government, Fylde Borough Council and Blackpool Council.
- £50,000 of Commercial Grant Funding successfully secured from Government to support the development of masterplan and commercial development frameworks.
- A steady stream of enquiries has been received.
- One development/conversion project at Kirkgate House/Amy Johnson house completed in late 2016.
- Work has commenced on site in late November of the first phase of a small unit scheme. The first of 5 phases of development totalling 64,000 sq ft is due to complete in May.
- Construction work has also progressed on the Energy HQ and the six smaller units at Lockheed court, all of which will complete in the fourth quarter of 2016-17 and the first quarter of 2017-18.
- The Business Rates baseline for the EZ has been agreed and submitted to DCLG on the 9th December.



Hillhouse Technology Enterprise Zone

- 20 jobs have been created to date.
- £5.43m of new private sector investment.
- MoU signed between the LEP, Government and Wyre Borough Council.
- £50,000 of Commercial Grant Funding successfully secured from Government to support the development of masterplan and commercial development frameworks.
- One new business has started trading on the site.
- Two hectares of private sector land has been reclaimed ready for development.
- Discussions underway with private sector landowner NPL Estates.
- Two live power station enquiries.

Current Challenges

- Delivery capacity.
- Securing end-occupiers to stimulate infrastructure provision and development across the sites.
- Delivering a coherent approach to marketing the Lancashire EZ sites and the handling of enquiries to ensure a collaborative approach to securing inward investment opportunities/end-occupiers.

Future Issues and Risks

- Modelling of Business Rates Growth income across the Lancashire Enterprise Zone Programme.
- Establishment and oversight of individual Programme Boards to ensure delivery of each site with reporting to the Enterprise Zone Governance Committee to ensure strategic oversight.
- Delivery of the new branding strategy for Lancashire's Enterprise Zone Programme.
- Management of enquiry handling.
- Securing end-occupiers.

Boost Business Growth Hub

Achievements in the last three months

Boost is the main business support programme in Lancashire. Its aim is to identify and to work with businesses in Lancashire who have the potential to grow. Boost's task is to accelerate that growth by identifying barriers to growth and working with businesses to overcome these. It works with existing businesses and potential entrepreneurs.

Boost was established in 2013 and in its first phase of activity, up to the end of 2015, supported over 1200 businesses, helping to create over 1100 new jobs. Boost subsequently received a new tranche of funding from the Lancashire ESIF programme to deliver support to businesses across Lancashire over the period January 2016 to December 2018.



In its updated form, Boost builds on the experience gained in the previous three years of the type of support that businesses find most useful, and that has shown to be most effective. Most of the match funding for Boost is provided by Lancashire County Council, with a smaller element of funding coming from the private sector in the form of their contribution to Growth Voucher projects.

Boost has reached the end of year 1 of its current three-year funding period. Year 1 saw the phased introduction of four main strands of business support. Two projects – the Growth Support Programme and the Growth Mentoring programme were launched in March 2016; a third, the Boost Gateway commenced in June and the fourth – Growth Vouchers was launched in October, and will start to contribute outputs to the project in Quarter 1 of Year 2 (2017). For this reason the output profile for Year 1 does not represent a straight one third split of the three-year total project. Approximately 20% of the targets will be achieved in Year 1, 50% during year 2 and the remaining 30% in year 3. Each strand of support has been allocated its own output profile against which it is being monitored. The table shows performance against the latest (December 2016) targets. The aggregated targets form the basis of a Grant Funding Agreement with DCLG. In the following section the output reference numbers (C1, P13 etc) refer to Published ERDF output definitions.

Summary

Overall, Boost is performing in line with its expected profile and most indicators are on target. The main pressures during Year 2 will be in achieving the increased rate of Information, Diagnosis and Brokerage (IDB) completions and in converting the current interest in Growth Vouchers into actual growth projects that can be implemented by local businesses. It will also be interesting to note the scale of the GVA uplift on businesses once these figures start feeding through.

Current challenges

Whilst the core programmes of Boost are working well, the aim is to continue the role and performance of the gateway service and build stronger links with wider business support provision.

This should allow Boost to accurately refer businesses to appropriate provision and provision being focussed on the needs of business.

Future issues

With support from the Business Support Management Board and the Performance Committee, the growth hub needs to think carefully about future issues of sustainability and income generation. Boost and the LEP will also continue to support BEIS in its continued case making and core funding for growth hubs.



Key Performance Indicators Achieved

C1 - Number of Enterprises receiving support (3 year target - 1360)

By the end of Year 1 1249 businesses had received some form of intensive intervention from Boost, comprising at least 12 hours support, ahead of the anticipated target. This has been achieved by two projects significantly over-performing. The Growth Support Programme supported 110 businesses against a previous target of 86, and the Growth Mentoring Programme helped 139 businesses against a target of 120. The overall activity will ramp up significantly in year 2, with a target of 643 businesses planned to be supported over the next 12 months. Key to this achievement will be the performance of the Growth Voucher programme which is now live and has over 100 applications pending for support. There is also an issue with 60 of the C1 outputs being unallocated to individual projects, meaning that a degree of over-performance from projects will be needed if Boost is to achieve its full targets.

P13 - Number of enterprises receiving Information, Diagnostic or Brokerage Support (3 year target - 1640)

Due to difficulties in recruiting staff to the delivery team, this activity was only phased in towards the end of the Year 1 programme, and the Year 1 targets had to be revised downwards to take account of this. Nevertheless 120 IDB outputs were recorded against a revised target of 114. It is planned to rapidly scale up this area of support during Year 2 in order to meet the increased Year 2 target of 1024 P11 outputs, and a delivery profile to achieve this has been agreed with the contractor – Growth Lancashire.

C8 - Employment increase in supported enterprises (3 Year target - 1000)

The major employment impact of the Boost project is planned to be achieved towards the end of the three-year project, once the growth projects proposed by individual businesses have been implemented. 114 jobs were projected by the end of year 1, with a further 384 in year 2, and an additional 502 jobs in year 3. The Year 1 performance was significantly ahead of target, with 133 jobs being created during the year with both the Growth Support and Growth Mentoring programmes well exceeding their original targets.

C2 - Number of enterprises receiving grants (3 year target - 300)

In addition to the three strands of business support advice, Boost now offers Growth Vouchers in the form of a 50% grant to help businesses unlock specific barriers to growth. The scheme was launched in October 2016, with applications invited from interested businesses. Consequently no specific target was set for Year 1 in terms of Growth Vouchers actually paid to businesses. At the present time there are over 100 applications in the pipeline and a target of 197 Growth Vouchers implemented has been set for year 2, with the remaining 103 being delivered in Year 3.

C6 - Private investment matching public support (3 year target - £750,000)

This output indicator represents the private sector contributions toward the projects supported by the Growth Vouchers, and as such the delivery profile mirrors that of the Growth Vouchers themselves, with no target set for Year 1, £492,500 for Year 2 and £257,500 for Year 3.



C4 - Number of enterprises receiving non-financial support

This target represents the total number of businesses supported by Boost who do not receive financial support. Since no Growth Vouchers were awarded in Year 1, the performance mirrors exactly the achievement of the C1 outputs, with 249 businesses being supported against a target of 240.

P11 - Number of potential entrepreneurs assisted to be enterprise ready (3 year target - 360)

Excellent progress has been made towards achieving the project target for potential entrepreneurs, with 46% of the three-year total being achieved by the end of year 1, although it has been intended throughout that most of the P11 support will be delivered in years 1 and 2. 165 potential entrepreneurs have completed an initial programme of support to date (previous target 138) and it is envisaged that at least half of these will progress to launch new businesses.

C5 – Number of new enterprises supported (3 year target - 180)

Although 23 businesses have been launched to date, these have not been reflected in the formal monitoring of targets or claimed in the quarterly returns to DCLG. This is because the recent revised guidance on ERDF output indicators has amended the count criteria and evidence requirements for C5. These outputs will therefore be reconciled following agreement of an updated delivery and expenditure profile (a Change Control) that was submitted to DCLG in December.

GVA increase in supported enterprises (3 year LEP target - £50,000,000)

The overall impact of the Boost project on the Lancashire economy will be measured through calculating the change in GVA for those companies supported by Boost. Because there is a 12-month monitoring period for the GVA evidence, the totals should start feeding into the performance reports during Year 2. It should be noted that the GVA is being monitored for reporting to the LEP only and is not a DCLG requirement.

Newly identified potential risks

Status of European funding is being kept under review as the Brexit process commences. At present it is believed that the current programme to December 31st 2018 will be able to run its course without the withdrawal of ERDF.

In exploring the continuity of the Growth Hub we need to be conscious that neither LCC match or the availability of ERDF to the end of the programme in 2020 can be guaranteed.

Growing Places Investment Funding

Achievements

The LEP has fully recycled its original circa £20m Growing Places Funding on a commercial basis generating circa £730,000 of interest which is supporting the LEP's strategic capacity.



The fund has invested in 8 schemes to date:

- Blackpool Pleasure Beach
- Burnley Bridge Business Park
- Teanlowe Centre, Poulton le Fylde
- Luneside East, Lancaster
- Blackburn Cathedral Quarter
- On The Banks, Burnley
- Innovation Drive, Burnley
- Chatsworth Gardens, Morecambe

As of the end of October 2016, £14.8m has been repaid to the fund.

This amount does not include the proposed repayment of £2.7m from Luneside East Ltd which is anticipated in early 2017.

When the revolving funds available to Barnfield Construction to support the delivery of 'On the Banks' and Innovation Drive have been accounted for, £10.9m is available for investment. The 'On the Banks' scheme is about to draw down funds to enable the delivery of its third phase which is the delivery of 12 starter homes apartments which has the support of the HCA.

It should also be noted that £2.1m has been allocated towards Guild Hall Street, Preston but this scheme has not yet concluded legal or financial due diligence.

Key Performance Indicators Achieved

Through its commercial investment, the Growing Places Investment Fund has created:

- Almost 3,500 new jobs;
- 200 housing units;
- Nearly 500,000 ft² of commercial floorspace; and
- Leveraged £100m of private and public investment.

Current Challenges

- Ensuring a healthy strategic development pipeline.
- Ensuring investments repay.
- Establishing a 'Fund of Funds' approach in light of ESIF issues following the EU Referendum.



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Tuesday, 31 January 2017

LEP Assurance Framework Review (Appendix 'A' Refers)

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Executive Summary

At the meeting of the LEP on the 14 June 2016, the Board approved a number of revisions and additions to the LEP's Assurance Framework following a review of the document by County Council officers.

The Board also agreed that a review of the LEP's Assurance Framework would be undertaken at least annually in June of each year and in response to changing local governance structures in Lancashire, including the intention to establish a Combined Authority.

In October 2016, Government issued a revised National Assurance Framework (attached at Appendix 'A') which supersedes the 2014 Local Enterprise Partnership National Assurance Framework. The purpose of this new framework is to ensure that Local Enterprise Partnerships (LEPs) have in place the necessary systems and processes to manage delegated funding from Government budgets effectively.

County Council officers have undertaken a review of the LEP's Assurance Framework against the Government's new framework. The LEP's Assurance Framework is found to be fully compliant.

However, it is recommended that following the announcement of Growth Deal 3 funding to LEPs, the Chair of the Growth Deal Management Board, with the support of County Council officers, undertakes a rapid review of the LEP's Local Growth Fund (LGF) procedures to identify any areas for further improvement, in line with the revised National Assurance Framework. Any proposed changes will be reported to the Board at its next meeting.

The Board is reminded that the LEP's LGF procedures are considered robust and rigorous and cited as an exemplar by Government officials. This view was confirmed again by Government officials to the Chair and fellow Directors at the LEP's 'Annual Conversation' on the 11 January.

The revised National Assurance Framework requests that the main LEP Board must



include an identified Board member to represent and engage with the SME business community. In relation to Lancashire, Mike Damms is already recognised as the LEP's SME champion. However, given the new guidance, it is proposed the Board re-confirms this nomination.

The document also identifies that the LEP must ensure that there is meaningful local public engagement about the LEP's future strategy development and progress against the delivery of the Strategic Economic Plan (SEP), including key projects. It is recommended that consideration be given to this when the Board is refreshing its SEP over the coming months.

In addition to the publication of the revised National Assurance Framework, the LEP Network, with Government support, has instigated an officer-led LEP Buddy Peer Review. The Review is in response to a series of articles published in December by the Daily Mail which suggested the misuse of public funding by a few LEPs.

The Lancashire Enterprise Partnership has been asked to review the Stoke-on-Trent & Staffordshire LEP. The Greater Lincolnshire LEP will review Lancashire. The Peer Review will take place through face-to-face meetings of LEP pairs which will begin in mid-February.

Recommendation

The LEP Board is asked to:

- (i) Note the contents of this report, specifically that County Council officers have undertaken a review of the LEP's Assurance Framework against the Government's new National Assessment Framework and it is found to be fully compliant;
- (ii) Authorise Lancashire County Council's Section 151 Officer to submit a letter, on behalf of the Accountable Body for the LEP, to DCLG's Accounting Officer by 28 February certifying that the LEP's local assurance framework has been agreed, is being implemented, and meets the revised standards set out in the National Assurance Framework;
- (iii) Authorise the Chair of the Growth Deal Management Board, with the support of County Council officers, to undertake a rapid review of the LEP's LGF procedures to identify any areas for further improvement, in line with the revised National Assurance Framework, and report any proposed changes to the Board at its next meeting;
- (iv) Reconfirm that Mike Damms is the nominated Board member to represent and engage with the SME business community as the LEP's SME Champion;
- (v) Consider appropriate mechanisms to ensure meaningful local public engagement in the refresh of the LEP's SEP and in reporting progress



- (vi) against the delivery of the SEP, including key projects; and Authorise the County Council's Director of Economic Development, with the support of County Council officers, to fully participate in the LEP Network's LEP Buddy Peer Review.

Background and Advice

At the meeting of the LEP on the 14 June 2016, the Board approved a number of revisions and additions to the LEP's Assurance Framework following a review of the document by County Council officers.

The Board also agreed that a review of the LEP's Assurance Framework would be undertaken at least annually in June of each year and in response to changing local governance structures in Lancashire, including the intention to establish the Lancashire Combined Authority.

In October 2016, Government issued a revised National Assurance Framework which supersedes the National Assurance Framework published in 2014. The purpose of this new Framework is to ensure that Local Enterprise Partnerships (LEPs) have in place the necessary systems and processes to manage delegated funding from Government budgets effectively.

In addition, to the revised Framework the Department for Communities and Local Government (DCLG) has published two Accountability System Statements, one each for Local Government and the Local Growth Fund (LGF). The Accountability System Statement for LGF explains that the National Assurance Framework is one element of the wider assurance system of funding to LEPs, which now also comprises regular LEP reporting to Government against agreed output metrics, LEP evaluation frameworks, and annual performance conversations between the Government and individual LEPs.

The LEP, represented by the Chair and fellow Directors with support from County Council officers, has attended two 'Annual Conversations' with Government officials to date; the first in December 2015 and the second in January 2017. On both occasions the LEP has been highly commended for its transparency and accountability in relation to governance, decision making and value for money, and in the excellent performance and delivery of key economic initiatives, including Growth Deal, City Deal, Enterprise Zones, Growing Places and Boost.

LEPs are advised to review, refresh and sign-off their Local Assurance Framework, in light of the revised National Assurance Framework from Government, as the national requirements need to be incorporated as a condition of funding in future Growth Deal grant offer letters. These grant offer letters are the formal means by which DCLG awards each annual LGF allocation to LEPs. One of the terms of these letters from 2017 onwards is the requirement for each LEP to submit a letter from the relevant Section 151 Officer to DCLG's Accounting Officer by 28 February each year certifying that the LEP's Local Assurance Framework has been agreed, is being



implemented and meets the revised standards set out in the National Assurance Framework.

County Council officers have undertaken a review of the LEP's Assurance Framework against the Government's new framework. The LEP's Assurance Framework is found to be fully compliant.

However, following the announcement of Growth Deal 3 funding to LEPs, it is recommended that the Chair of the Growth Deal Management Board with the support of County Council officers, undertakes an additional rapid review of the LEP's LGF procedures to identify any areas for further improvement, in line with the revised National Assurance Framework. Any proposed changes will be reported to the Board at its next meeting. The Board is reminded that the LEP's LGF procedures are currently considered robust and rigorous and are cited as an exemplar by Government officials.

The revised National Assurance Framework requests that the main LEP Board must include an identified Board member to represent and engage with the SME business community. Mike Damms is the nominated Board Director for the Lancashire Enterprise Partnership in this regard and the Board is asked to reconfirm this nomination.

The document also identifies that the LEP must ensure that there is meaningful local public engagement about the LEP's future strategy development and progress against the delivery of the SEP, including key projects. It is recommended that consideration be given to this when the Board is refreshing its SEP over the coming months.

In addition to the publication of the revised National Assurance Framework, the LEP Network has instigated a LEP Buddy Peer Review. The Review is in response to a series of articles published in December in the Daily Mail which suggested the misuse of public funding by a few LEPs.

The officer-led LEP Buddy Peer Review is intended to check and challenge LEP information, systems and processes relating to transparency and accountability with expertise and best practice shared amongst LEPs. The Lancashire Enterprise Partnership has been identified to review the Stoke-on-Trent & Staffordshire LEP. The Greater Lincolnshire LEP will review Lancashire.

A 'Hygiene List' has been produced by the LEP Network to aid LEPs in the Review process and County Council officers have already begun completing the document on behalf of the LEP. The Peer Review will take place through face-to-face meetings of LEPs which will begin in mid-February.



Department for
Communities and
Local Government

Local Enterprise Partnership

National Assurance Framework

A National LEP Assurance Framework which guides local decision making to support accountability, transparency and value for money.



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Introduction

In 2014 we asked all Local Enterprise Partnerships (LEPs) to work with us to develop a National Assurance Framework to cover all the Government funding received by them via accountable bodies. This was published in December 2014.

The purpose of this framework is to ensure that Local Enterprise Partnerships have in place the necessary systems and processes to manage delegated funding from central Government budgets effectively. This document is a revision of the 2014 Local Enterprise Partnership National Assurance Framework and supersedes that document.

DCLG has published two Accountability System Statements, one each for Local Government and the Local Growth Fund (LGF)¹. These documents set out how local government funding and the LGF are allocated, describing the robust local systems which are in place to ensure that resources are spent with regularity, propriety, and value for money. Section 2, paragraph 6 of the Accountability System Statement for LGF explains that the Local Enterprise Partnership National Assurance Framework is one element of the wider assurance system of funding to Local Enterprise Partnerships, which also comprises regular Local Enterprise Partnership reporting to the government against agreed output metrics, Local Enterprise Partnership evaluation frameworks, and annual performance conversations between the government and each Local Enterprise Partnership.

This document sets out what Government expects Local Enterprise Partnerships to cover in their local assurance frameworks. The approach remains light touch, but the aim is to provide greater clarity and set out where expectations have increased from those of 2014 as Local Enterprise Partnerships continue to mature and their role and responsibilities develop. The focus remains on implementing practices and standards which are necessary to provide Government and local partners with assurance that decisions over funding are proper, transparent, and deliver value for money. The Local Enterprise Partnerships will continue to have considerable freedom to determine how to implement the practices and standards articulated in this national framework through their own local assurance frameworks.

Local Enterprise Partnerships should review, refresh and sign off their Local Enterprise Partnership's Local Assurance Framework in light of this update as the requirements set out in this Framework will be incorporated as a condition of funding in future Growth Deal grant offer letters. These letters are the formal means by which the Department for Communities and Local Government (DCLG) awards each annual Growth Deal allocation to each Local Enterprise Partnership, sets out the degree of flexibility on offer and specifies the terms of the grant. One of the terms of these letters from 2017 onwards will be that Local Enterprise Partnerships must submit a letter from their relevant Section 151 Officer (or Section 73 Officer for Combined Authorities) to DCLG's Accounting Officer by 28 February each year certifying that the Local Enterprise Partnership's local assurance framework has been agreed, is being implemented and meets the revised standards set out in the Local Enterprise Partnership Assurance Framework. It is important to note that

¹ <https://www.gov.uk/government/publications/local-growth-fund-accountability-system-statement>

it is the Government's expectation that accountable bodies cannot use this funding for their own purposes, or without any clear mandate from the LEP.

Local Enterprise Partnerships are reminded that Ministers expect Local Enterprise Partnerships to follow the principles that apply to Government and Local Authorities, which prevent public expenditure incurred in retaining the services of lobbyists to influence public officials, Members of Parliament, political parties or the Government to take a particular view on any issue. If Local Enterprise Partnerships have specific concerns or points to put across to Government then they should talk directly to officials or Ministers. This will both be more effective, and ensure appropriate use of public funds. No funding provided under the DCLG Local Growth Fund shall be spent on such costs.

Revising Local Enterprise Partnership Local Assurance Frameworks

The 2016 Annual Conversation (held between Government and each Local Enterprise Partnerships to review performance) will include a discussion on the progress of Local Enterprise Partnerships in revising their local assurance frameworks in line with this updated national guidance.

The Local Enterprise Partnership Board should sign-off the revised local assurance framework. The Section 151 Officer (or Section 73 Officer as appropriate) of the accountable body must also sign off the revised local assurance framework, and write to DCLG's Accounting Officer by 28th February each year beginning 2017 certifying that the local assurance framework has been agreed, is being implemented and that it meets the revised standards set out in the LEP National Assurance Framework. Local assurance frameworks must be published on each Local Enterprise Partnership's website, and reviewed annually.

Mayoral Devolution Deal Areas with "Single Pots"

Where Local Enterprise Partnerships and Combined Authorities have agreed that the Local Growth Fund will be fully integrated into the 'Single Pot' of funding awarded in Devolution Deals, the local Single Pot Assurance Framework (once formally agreed by DCLG) will supersede the local assurance framework for project appraisal, prioritisation, assessing value for money, allocating spend and monitoring and evaluation². However, Single Pot Assurance Frameworks will not replace the requirement for Local Enterprise Partnerships to clearly articulate and publish online their internal corporate governance processes, as set out in sections 1, 2 and 3 of this framework. This should be published as a separate document, in the form of a governance statement, constitution, or similar, unless explicitly set out in a relevant Single Pot Assurance Framework. The Section 73 Officer of the accountable body must write to DCLG's Accounting Officer by 28th February each year beginning 2017 setting out how this requirement is being addressed and

² Where the Single Pot Assurance Framework does not provide monitoring and evaluation processes for the Local Growth Fund, section 5 of this guidance continues to apply.

certifying that the revised standards set out in sections 1,2 & 3 of the National Assurance Framework are being met.

1. Governance and decision making

1.1 Local Enterprise Partnerships have, rightly, established and structured themselves in different ways, reflecting the differing needs and demands of each area. The Government is not seeking to change that. However, the Government and local areas must be clear about how each Local Enterprise Partnership operates, how and when decisions are taken, and by whom. Local Enterprise Partnership local assurance frameworks must be clear and unambiguous about who has authority for decision making.

The Local Enterprise Partnership's local assurance framework must set out its rules governing:

- the Local Enterprise Partnership board membership. Local Enterprise Partnership boards must have a private sector chair, with at least 50% of the rest of the members also coming from the private sector³. Other board membership should be drawn from local authority leaders and other relevant public sector organisations. The main Local Enterprise Partnership Board must include an identified board member to represent and engage with the SME business community;
- all Local Enterprise Partnership sub-groups and their membership requirements;
- the roles and responsibilities of the main Local Enterprise Partnership board and any permanent sub-boards, with a particular focus on who is responsible for each type of decision. It must include a description of any schemes of delegation, and clarity on which body or person is responsible for the final sign-off of funding decisions. This must include arrangements as appropriate for overseeing growth hub, Enterprise Zone and City Deal activities. In all cases clear reporting lines back to the Local Enterprise Partnership board, and where appropriate to the accountable body, must be demonstrated;
- the relationship between the Local Enterprise Partnership board and the supporting local authority partnership arrangements that enable collective engagement with all local authority leaders in decision-making on growth priorities (such as a Combined Authority, Economic Prosperity Board, Joint Committee or Leaders Board) and how these priorities will be supported by collaboration and joint-delivery at executive level. See also 3.3;
- the arrangements for the lawful and effective implementation and delivery of projects. Where the Local Enterprise Partnership awards Government funding these arrangements shall include openly advertising the funding opportunity, assessing applications, making the award through a formal agreement, monitoring progress for the lifetime of the project and maintaining a robust audit trail to demonstrate compliance. Where the Local Enterprise Partnership receives Government funding to deliver a project it shall use all

³ Local Enterprise Partnerships should consider selecting private sector board members through an open, transparent and non-discriminatory competition which assesses each candidate on merit

reasonable endeavours to fulfil its contractual obligations and maintain a robust audit trail to demonstrate compliance;

- its commitment to diversity, including a diversity statement explaining how the Local Enterprise Partnership will look to ensure diverse representation at Board and sub group level which is reflective of their local business community (including geographies and protected characteristics)⁴;
- the conduct for all board members (see gov.uk guidance “The 7 principles of public life”⁵);
- arrangements for cross LEP working (where appropriate).

⁴ Def'n of protected characteristics: <https://www.equalityhumanrights.com/en/equality-act/protected-characteristics>

⁵ <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

2. Transparent decision making

2.1 It is important that Local Enterprise Partnerships have clear arrangements in place which enable effective and meaningful engagement with local partners and the public. Local Enterprise Partnerships are required to operate transparently, thereby giving the public confidence that decisions made are proper, based on evidence, and capable of being independently scrutinised.

2.2 Local Enterprise Partnerships should take a proportionate approach to sharing and publishing information, using the prompts set out below as the basis for determining what to release. It is understood that not all information will be appropriate for publication (e.g. information that is commercially sensitive). Local Enterprise Partnerships will need to use discretion in determining what should and should not be published. The expectation however, is that the public should see that the Local Enterprise Partnership is applying similar standards of transparency as public sector organisations over decisions it makes about public funding.

2.3 Local Enterprise Partnerships must, therefore, set out in their local assurance framework the arrangements for transparent decision making covering the points below:

- a dedicated website through which local partners and the public can check progress on the delivery of Growth Deals and access key documents such as the Strategic Economic Plan, ensuring that this information can be found easily and is accessible to all;
- arrangements for making, and recording decisions, and for ensuring that papers, decisions, minutes, agendas etc are published promptly in line with existing local authority rules and regulations [access to information, Schedule 12A of the LGA 1972, as amended by the FOI 2000];
- through their accountable body, ensure that Freedom of Information and Environmental Information Regulation requests are dealt with in line with relevant legislation;
- have a published conflicts of interest policy, a published register of interests covering any decision makers which is kept updated, and a published complaints policy;
- ensure that there is ongoing local engagement with public and private sector stakeholders to inform key decisions and set out how they will evidence effective engagement;
- ensure that there is local engagement with and feedback to the general public about future Local Enterprise Partnership strategy development and progress against delivery of the SEP, including key projects and spend against those projects and that this can be evidenced;
- publish arrangements for developing, prioritising, appraising and approving projects, with a view to ensuring that a wide range of delivery partners can be involved (see also section 4 on value for money);

- the Local Enterprise Partnership's priorities and mechanisms for maximising the social value of its investment funding and activities so that partners and beneficiaries can play an active role in the programme.

3. Accountable decision making

3.1 The accountable body is responsible for ensuring that the Local Enterprise Partnership makes decisions in accordance with the Local Enterprise Partnership's local assurance framework.

3.2 Local Enterprise Partnerships are responsible for developing and maintaining the Strategic Economic Plan and determining their key funding priorities. They are also responsible for ensuring that they maintain adequate capacity and expertise to deliver against those.

3.3 Democratic accountability for the decisions made by the Local Enterprise Partnership is provided through local authority leader membership of Local Enterprise Partnership Boards. In places where not all local authorities are represented directly on the Local Enterprise Partnership board it is important that their representatives have been given a mandate through arrangements which enable collective engagement with all local authority leaders (see section 1.1).

3.4 The Local Enterprise Partnership's local assurance framework must set out the agreed systems and practices which support both the legal and financial responsibilities of the accountable body and the leadership role and democratic accountabilities of the Local Enterprise Partnership. It is important that these support both the accountable body role in ensuring proper, transparent decisions which deliver value for money and also support timely, informed decision making by the Local Enterprise Partnership. The local assurance framework must also set out the circumstances under which the accountable body would not comply with a Local Enterprise Partnership decision and the process for resolving such conflicts.

3.5 The Local Enterprise Partnership's local assurance framework must set out what (if any) independent scrutiny arrangements the Local Enterprise Partnership has in place and whether these are integrated into part of the local authority's arrangements or separate from them. We would strongly encourage Local Enterprise Partnerships to make use of independent scrutiny arrangements, for example by establishing an overview and scrutiny committee to provide check and balance in the operation of the partnership.

3.6 The Local Enterprise Partnership's local assurance framework must:

- state the accountable body arrangements for the Local Growth Fund and other funding sources received from Government;
- state that use of resources are subject to the usual local authority checks and balances – including the financial duties and rules which require councils to act prudently in spending, which are overseen and checked by the Responsible Chief Finance Officer – the Section 151 Officer, or in the case of a Combined authority a Section 73 officer;
- state how and when the annual accounts covering the Local Growth Fund and other funding sources received from Government are published;
- state the responsibilities of the accountable body as covering the following:

- ensuring decisions and activities of the Local Enterprise Partnership conform with all relevant law (including State Aid and public procurement) and ensuring that records are maintained so this can be evidenced.
 - ensuring that the funds are used in accordance with the conditions placed on each grant;
 - ensuring that the Local Enterprise Partnership's local assurance framework is adhered to;
 - maintaining the official record of Local Enterprise Partnership proceedings and holding copies of all relevant Local Enterprise Partnership documents relating to Local Growth Fund and other funding sources received from Government funding;
 - responsibility for the decisions of the Local Enterprise Partnership in approving projects (for example if subjected to legal challenge);
 - ensuring that there are arrangements for local audit of funding allocated by Local Enterprise Partnerships at least equivalent to those in place for local authority spend.
- Set out the Local Enterprise Partnership and accountable body agreed timescales and operating practices to support the effective implementation of decisions. Including:
 - monitoring arrangements;
 - information required from project promoters and delivery agents;
 - details of the written agreement between the accountable body and delivery agent and arrangements for protection of public funds including those in the event of non-delivery or mismanagement.

4. Ensuring value for money

4.1 It is important that all Local Enterprise Partnerships have robust arrangements in place to ensure value for money and effective delivery.

4.2 The section below on option appraisal and prioritisation addresses what Local Enterprise Partnerships will need to consider in deciding how to allocate their funding to projects and prioritise between proposals. Given the considerable variation in types and sizes of projects which Local Enterprise Partnerships may want to support, and acknowledging that many Local Enterprise Partnerships already have effective practices in place, our intention is not to establish any rigid rules but rather establish a set of guiding principles.

4.3 The section on value for money & business case development considers the more detailed business case work we would expect project promoters to undertake, and Local Enterprise Partnerships to scrutinise, once a project has been identified for funding, to ensure that the proposal is optimised, represents value for money and is deliverable.

4.4 Local Enterprise Partnerships must have robust processes in place that ensure all funding decisions are based on impartial advice. These arrangements must be set out in the local assurance framework. There must be clear separation between those acting as scheme promoters and those appraising programmes and projects and advising decision makers, so that the Local Enterprise Partnership is acting on impartial advice on the merits of (potentially competing) business cases.

4.5 Local Enterprise Partnerships must also ensure that the local assurance framework sets out the arrangements for the active management of risk relating to all matters for which the Local Enterprise Partnership is responsible, including but not limited to propriety and value for money issues. This must include having a named individual of appropriate seniority who is responsible for the identification and management of risk.

Options appraisal and prioritisation

4.6 Local Enterprise Partnerships must have a clear and transparent basis, (published on their website) against which projects and programmes are initially identified, commissioned, appraised and prioritised. Local accountability frameworks must set out:

- the evidential basis on which the need for intervention is based and how the Local Enterprise Partnership will ensure that it identifies programmes and projects based on need and/or opportunity supported by rigorous analysis of quality data and with regard to the application of best practice;
- the methodology used to assess value for money of the Local Enterprise Partnership's programme, and to prioritise projects, ensuring the Local Enterprise Partnership considers the full range of options which enable the strategic objectives to be met. Particular attention should be given to how different types of projects will be compared and assessed. Typically this would include consideration – at a level proportionate to the scale of funding required for the proposal – of whether:

- there is a clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan;
- the proposal has clearly defined inputs, activities, outputs and anticipated outcomes, with clear addionality, ensuring that factors such as displacement and deadweight have been taken into account;
- the benefits exceed the costs of intervention;
- deliverability and risks have been appropriately considered along with appropriate mitigating action (the costs of which must be clearly understood).

Value for Money and Business Cases

4.7 The methodology used to assess value for money and the degree of detail to which business cases are developed in support of particular projects or programmes must be set out in the local assurance framework.

4.8 The methodology should be proportionate to the funding allocated and in line with established Government guidance including the *HM Treasury Green Book*. Typically we would expect business cases to address, in a proportionate manner, the five cases set out in the Supplementary Guidance to the Green Book.

4.9 A list of basic expectations for different types of specific project appraisal is attached at Appendix A.

4.10 Local Enterprise Partnerships must ensure that the commercial, financial and management arrangements are appropriate for effective delivery. To assist with this, *Infrastructure UK* (now part of the Infrastructure and Projects Authority) has produced a Project Initiation Routemap Handbook and associated Modules which provide a framework to support public and private sector infrastructure providers improve the delivery of their projects and programmes. Local Enterprise Partnerships may find this helpful when reviewing these aspects of business cases.

4.11 The local assurance framework must state that the Local Enterprise Partnership will identify a named individual with overall responsibility for ensuring value for money for all projects and programmes and a named individual (not necessarily the same person) responsible for scrutiny of and recommendations relating to each business case. These responsible individuals should ideally be independent of the promoting organisation or where this is impractical, should sit outside the management unit responsible for developing and promoting the business case.

Monitoring and Evaluation

4.12 Local Enterprise Partnerships will need to ensure that there is appropriate output and outcome monitoring and evaluation of projects taken forward.

4.13 The Local Enterprise Partnership's local assurance framework must set out the arrangements for output & outcome monitoring and evaluation of projects – with reference to documents such as the Growth Deal Evaluation Plan where appropriate.

4.14 Evaluating projects can deliver the following objectives:

- Provide accountability for the investment;
- Justify future spending allocations;
- Enhance the operational effectiveness of existing projects or future project extensions; and
- Improve future initiatives (as well as future VFM appraisal) based on learning.

4.15 Local Enterprise Partnerships must ensure a proportionate approach to monitoring and evaluation. Evaluation objectives should relate back to the business case and build on the assumptions used in the appraisal process.

4.16 The specific outcomes that will be monitored and measured will differ depending on the type of intervention. Monitoring and evaluation should therefore focus on those outcomes that are most relevant to the impact of the project's objectives.

Appendix A: Advice from relevant departments and NDPBs

This overarching Local Enterprise Partnership framework covers all Government funding which Local Enterprise Partnerships and their accountable bodies are responsible for. It is supported by advice from relevant departments and NDPBs set out below. This additional advice is wholly consistent with the principles and practices set out in this document and should be read together. Links to these related documents are set out below.

Transport schemes

Transport projects will be subject to the minimum requirements on value for money assessment, assurance and evaluation of transport projects set out at Appendix B.

The basis of transport appraisal is the Department for Transport's (DfT's) appraisal guidance known as WebTAG. WebTAG is not a standard 'one size fits all' process. It promotes the use of proportionate appraisal and gives some significant discretion in the level of detail that is appropriate depending on the nature of the transport scheme concerned.

For these purposes a 'transport scheme' is defined as any scheme that significantly changes the transport network infrastructure, whatever its objectives. For example, improving journey times may not be the objective of a scheme but the impact on journey times, if expected to be significant, would still need to be considered as part of the overall value for money consideration of a scheme.

Skills capital schemes

From April 2015 the Government has transferred the skills capital budget, previously managed by the Skills Funding Agency Capital team, to Local Enterprise Partnerships via the Local Growth Fund paid to the accountable body.

How Local Enterprise Partnerships choose to incorporate the management of skills capital funds within their Local Enterprise Partnership governance is a matter for local discretion. Skills Funding Agency support to assist with decisions about skills capital schemes is no longer available. It is, however, expected that Local Enterprise Partnerships will base their local processes on Skills Funding Agency good practice, advice and guidance, tailored to local circumstances, or put in place equivalent robust local arrangements to ensure value for money and effective delivery of skills capital schemes, through strong project development, project and options appraisal, prioritisation, and business case development – as set out in section 4 above.

Housing

Local Enterprise Partnerships will be expected to base their local arrangements on Home and Communities Agency good practice, advice and guidance tailored to local circumstances, or put in place equivalent robust local arrangements to ensure value for money and effective delivery of housing, regeneration and related infrastructure schemes. The DCLG Appraisal Guide (due to be published 2016) provides guidance on how the Department appraises residential and non-residential development which Local Enterprise Partnerships may wish to follow.

Regeneration

In line with the National Planning Policy Framework and the Planning Practice Guidance, it is anticipated that Local Enterprise Partnerships will have local arrangements in place that provide assessment and support to ensure schemes deliver value for money and positive growth. For regeneration these projects might extend beyond housing and transport interventions, and include investment in things like enabling works, land assembly, utilities, and/or public realm projects. The DCLG Appraisal Guide may be a suitable document for helping appraise the costs and benefits of these types of interventions

Enterprise, innovation and business support

Growth Hubs, Innovate UK and the British Business Bank are key partners in enterprise, innovation and business support schemes. Good practice when working with partners should include ensuring a connection to national expertise and infrastructure and non-duplication of existing support, investments and finance options.

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Appendix B: Transport Schemes

Value for Money

Local Enterprise Partnerships will need to be satisfied that the proposed schemes will achieve value for money.

Local Enterprise Partnerships will need to demonstrate that they have established processes to ensure that the modelling and appraisal is sufficiently robust and fit for purpose for the scheme under consideration. This should describe how they will ensure that the modelling and appraisal of schemes meets the guidance set out in WebTAG.

The use of WebTAG, which is mandatory for all schemes, does not preclude additional assessments or methodologies (e.g. wider economic benefits) being employed to prioritise and assess the overall business case for a scheme.

Neither does it dictate the weighting or importance that decision-makers should attach to any aspect of the WebTAG assessment or any additional assessment. In particular, the Benefit to Cost Ratio is only one component of the value for money assessment and should not be the sole driver of decision-making.

The overriding principle is that the full range of the material costs and benefits of a scheme, both quantified and unquantified, should be available to decision-makers.

Minimum requirements	<p>The modelling and appraisal of schemes contained in business cases must be developed in accordance with the guidance published in WebTAG at the time the business case is submitted to Local Enterprise Partnerships for approval.</p> <p>Central case assessments must be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset). This requirement doesn't stop Local Enterprise Partnerships considering alternative planning assumptions as sensitivity tests and considering the results of these in coming to a decision about whether to approve a scheme.</p> <p>The appraisal and modelling will be scrutinised by Local Enterprise Partnerships to ensure it has been developed in accordance with the WebTAG. This will be undertaken independent of the management unit or authority promoting the scheme. The Local Enterprise Partnership's local assurance framework will set out how this will be done.</p> <p>The local assurance framework must set out how the assessment and scrutiny of business cases will be quality assured.</p>
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Recommended	Set out mechanisms for providing early advice to scheme promoters on whether the study approach is fit-for-purpose, particularly in relation to modelling and Social & Distributional Impacts (which both can have significant lead times)
Optional	<p>A description of how Local Enterprise Partnerships will ensure that WebTAG will be applied by scheme promoters in a proportionate and robust way.</p> <p>A description of the circumstances under which external scrutiny or audit of the appraisal or modelling of schemes would be commissioned e.g. controversial or particularly costly schemes.</p>

Local Enterprise Partnerships will need to put in place a process for producing a Value for Money (VfM) statement for all schemes put forward for approval summarising their overall assessment of the economic case. This VfM statement will need to be reviewed and updated at each approval stage.

Minimum requirements	<p>A value for money statement for each scheme in line with published DfT WebTAG guidance and DfT advice on assessing VfM⁶ must be presented for consideration to Local Enterprise Partnerships at each approval stage.</p> <p>The VfM assessment must be signed off as true and accurate by a named officer with responsibility for Value for Money assessments within Local Enterprise Partnerships.</p>
Recommended	Set out what processes will be put in place to ensure that all impacts of a scheme (monetised and non-monetised) will be assessed by officers on a consistent basis and are based on reasonable assumptions.

Local Enterprise Partnerships will need to confirm that they agree to only approve schemes that meet a minimum VfM threshold and put in place the appropriate checks and balances to ensure compliance with this requirement.

The overwhelming majority of local major schemes funded in recent years were assessed by the Department as offering at least “high” value for money.

We would like to ensure that the value for money of major transport investment is maintained and therefore would expect that Local Enterprise Partnerships would only in exceptional circumstances agree to fund schemes with lower than “high” value for money.

If Local Enterprise Partnerships wish to retain the flexibility to fund schemes assessed at less than “high” value for money, the assurance framework should clearly set out the

⁶ <https://www.gov.uk/government/publications/value-for-money-advice-for-local-transport-decision-makers>

circumstances under which funding for such schemes would be considered, and outline any additional scrutiny or conditions that would apply.

Minimum requirements	<p>Local Enterprise Partnerships must either; only approve schemes that offer at least “high” value for money, as assessed using DfT guidance, or; set out the limited circumstances under which schemes offering lower than “high” value for money would be considered.</p> <p>Schemes must be assessed against the relevant thresholds at each approval stage.</p>
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Local Enterprise Partnerships are required to demonstrate separately (in other sections of the assurance framework) that they are transparent and open when reporting the results of modelling and appraisal, and that they have plans in place to obtain the necessary resources to fulfil the requirement to secure Value for Money.

External views on business cases

This section should outline what arrangements exist for Local Enterprise Partnerships to invite and consider any external comment and/or scrutiny of business cases prior to approval. In previous DfT guidance, bidding Local Authorities were required to place their business case on their own websites when bids were submitted for funding and that practice should continue.

Minimum requirements	<p>Business cases must be published (and publicised) before funding approval decision is made so that external comment is possible.</p> <p>Opinions expressed by the public and stakeholders must be available to relevant members or boards of Local Enterprise Partnerships when decisions are being taken.</p>
Recommended	<p>The above period should be at least 3 months.</p> <p>Local Enterprise Partnerships should make public how they have taken external comments into account</p>

Evaluation and Monitoring

The following requirements on the evaluation and monitoring of **outcomes** apply to all transport schemes.

<p>Minimum requirements</p>	<p>Local Enterprise Partnerships must put in place mechanisms to ensure that schemes are monitored and evaluated in line with the latest DfT guidance⁷ on the evaluation of local major schemes. In particular Local Enterprise Partnerships should:</p> <ul style="list-style-type: none"> • set out proportionate evaluation and monitoring (M&E) plans that clarify: 1) requirements for individual schemes including funding of M&E activities; 2) responsibility for undertaking M&E, how minimum standards will be met and timescales for completion and decisions. • ensure that, for each scheme, there is clarity about how spend against delivery of outputs will be reported. • ensure that M&E plans are in place for schemes by the time that funding is signed off or before any data collection is programmed. • put in place processes to ensure that the results of any evaluation and monitoring are published.
<p>Recommended</p>	<p>Local Enterprise Partnerships should have the results of any evaluation and monitoring reviewed independently of the scheme promoter.</p> <p>Local Enterprise Partnerships should prepare an evaluation ‘handover pack’ as part of the appraisal process that documents all key assumptions so that those responsible for scheme evaluation can fully understand how appraisal estimates were produced and can examine the potential drivers of any differences between forecasts and outturns.</p>
<p>Optional</p>	<p>Set out how Local Enterprise Partnerships will share best practice obtained from evaluation and monitoring reports.</p>

Local Enterprise Partnerships and scheme promoters should refer to published DfT frameworks for advice on monitoring outcomes (e.g. reducing congestion, improving journey reliability etc.) measures, data collection methods and potential data sources.⁸

⁷ <http://www.dft.gov.uk/publications/evaluation-local-major-schemes>

⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/35975/lstf-monitoring-evaluation-framework.pdf;
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/301284/bba-monitoring-and-evaluation-framework.pdf;
<https://www.gov.uk/government/publications/monitoring-and-evaluation-framework-for-local-authority-major-schemes>



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Tuesday, 31 January 2017

Strategic Economic Plan Refresh - Update

Report Author: Martin Kelly, Director of Economic Development, Lancashire County Council

Executive Summary

The Lancashire Enterprise Partnership (LEP) published the *Lancashire Strategic Economic Plan – A Growth Deal for the Arc of Prosperity* in 2014.

The Strategic Economic Plan (SEP) has played a central role in establishing the LEP's leadership role; in forging new ways of working between public and private sector partners; in securing and directing unprecedented levels of national public investment in support of locally agreed growth priorities; and, in turn, enabled the LEP and its local partners to be recognised by Government as high performing.

However, the SEP will be 3-years old in March 2017, and it is important that the SEP continues to evidence the LEP's economic leadership and articulate an agreed Lancashire agenda for change which is both relevant and bold, given a rapidly changing national and international context.

At the Board meeting in November 2016, it was agreed that a “refresh” of the SEP should be undertaken, in conjunction with the shadow Lancashire Combined Authority (LCA), with a view to completing this task by April 2017.

This report updates the Board on current progress with the SEP refresh.

Recommendation

The LEP Board is asked to:

- (i) Note the contents of this report, including the revised timetable which has been extended to enable key policy research inputs to fully inform the SEP refresh;
- (ii) Authorise the LEP Chair to continue working with the shadow LCA to develop the refreshed SEP;
- (iii) Agree to work with the shadow LCA, whilst engaging with public and private sector partners, to identify new strategic and transformational priorities, programmes and scheme proposals for consideration by the LEP Board;



- (iv) Authorise the Director of Economic Development of the County Council to continue working with the team of local authority officers identified by the shadow LCA to support the SEP refresh – and especially regarding spatial, housing growth, inclusive growth and pipeline development priorities; and
- (v) Request a Draft refreshed SEP to be submitted to the Board meeting in March.

Background and Advice

Current Position

- 1.1 The LEP published the *Lancashire Strategic Economic Plan – A Growth Deal for the Arc of Prosperity* in March 2014. In recent years, the SEP has provided a robust economic framework which has enabled the LEP and local partners to develop and deliver agreed priorities. The SEP has also enabled the LEP and its partners, in both the public and private sectors, to establish new ways of working to deliver shared objectives.
- 1.2 The most visible measure of the SEP's success is its role in enabling the LEP and its local partners to secure and direct an unprecedented level of national investment, often on a competitive basis, to support the delivery of locally agreed priorities. For example, Lancashire's recently announced Growth Deal 3 allocation of almost £70M is only significantly bettered by London and Manchester. Over three competitive rounds of Growth Deal funding, the LEP has successfully secured over £320M to support the delivery of 45 major initiatives across the County with the ability to deliver nearly 11,000 new jobs and 4,000 new homes.
- 1.3 Over the last 3-years alone the SEP has provided the overarching strategic framework which has enabled the LEP to direct or influence nearly £1 billion in new public investment in support of locally agreed growth and regeneration priorities. In these terms, nationally, Lancashire is punching way above its economic weight, which is essential if the area is to close its long-standing productivity and economic performance gaps with the rest of the country.
- 1.4 The SEP has been instrumental in enabling Lancashire to establish new growth opportunities by focusing on key economic assets and potential, with major programmes of national significance now in place with a Lancashire Enterprise Zone programme of Northern Powerhouse significance; a highly regarded City Deal; the largest Growth Deal programme of any non-Core City LEP; Boost, which is recognised as one of the country's best performing business growth hubs; and with a commercially-focused Growing Places Investment Fund driving forward innovation in the financing of new development opportunities.



- 1.5 The SEP has also broken new ground in developing ambitious economic and housing growth outcomes for Lancashire, in the absence of aligned local plans in Lancashire. Spatially, the SEP has developed local thinking about locational economic priorities, the function of Lancashire's economic base with approaches such as the *arc of prosperity*, and how the area relates to neighbouring city-regions.
- 1.6 The SEP has also provided the framework to continue developing spatial relationships with exciting opportunities emerging in relation to promoting the economic role and reach of places such as Lancaster and West Lancashire, in terms of exploiting their untapped strengths and cross-boundary locations with prime access to new economic opportunities. A strong "economic spine" is in prospect which connects a dynamic Lancaster, an extended City Deal area recognising Chorley's gateway role, with stronger links with city-region facing West Lancashire.
- 1.7 The SEP has also encouraged local partners to develop growth frameworks at the sub-county level. For example, partners in Blackpool and the Fylde Coast and in East Lancashire are developing local growth and prosperity plans with shared approaches on the how best to improve their business-base and deliver economic opportunities for residents.
- 1.8 The SEP has also enabled the development of a strong Strategic Transport Prospectus, underpinned by local transport masterplans, with both strategic frameworks helping to positively position Lancashire within emerging Northern Powerhouse economic and transport connectivity agendas, including the recent Northern Powerhouse Independent Economic Review (IER).
- 1.9 By working with the shadow LCA, the SEP refresh will look to develop an even more ambitious spatial framework to underpin Lancashire's growth agenda.
- 1.10 The Board are also aware the LEP is working with Marketing Lancashire to establish a new strategic marketing approach for Lancashire which is fully informed by the SEP's ambition and priorities. A refreshed SEP will further invigorate the LEP's ramping-up of this activity.
- 1.11 In summary, though less than 3-years old, the SEP has clearly demonstrated the value of a strong, ambitious and evidence-based framework approach in developing and pursuing an agreed growth agenda for Lancashire. However, given the strong progress the LEP and local partners have made in recent years, along with the acceleration and development of new thinking and new development proposals, it is clearly timely to refresh the SEP.



2. SEP Refresh Framework

A Strong Evidence Base

2.1 Clearly, the LEP's strategic thinking, evidence-base and pipeline development activity work has continued at pace since the SEP was first published. In terms of strategic analysis, the LEP has an even stronger evidence base on which to develop a refreshed SEP. For example:

- Since the SEP was produced, the LEP had developed a comprehensive Employment and Skills Framework, though further work is currently underway on developing an Apprenticeship Growth Plan; finalising the outcomes of Lancashire's Area Base Review; as well as planned work with the shadow LCA on better understanding educational and social performance constraints limiting the social mobility and prospects 0-16 year olds in Lancashire.
- New insights on driving innovation and smart specialisation have been garnered from the LEP's successful wave 1 Science and Innovation Audit (SIA) with Sheffield City Region partners, with the prospect of a wave 3 SIA on eco-innovation, again led by Lancaster University. A local innovation strategy is in train which develops these insights, integrates LEP investment in key innovation centres such as UCLAN's EIC, Lancaster University's HIC development, Edge Hill University's Tech Hub and the planned AMRC NW development at Samlesbury, along with aligned skills facility investments and identified market/sectoral opportunities that can exploit leapfrog technologies.
- Further analyses are also underway to identify new local approaches to closing productivity gaps, with a detailed investigation of the role of Lancashire's SMEs, especially scale-up and mid-cap businesses, in addressing this challenge; whilst a new international trade strategy is being developed by Chamber partners with LEP officer support; and under the direction of Transport for Lancashire an East-West connectivity study, involving partners in West and North Yorkshire, is exploring new joint approaches to developing trans-Pennine growth corridors with the aim of informing the revised investment priorities of Transport for the North.
- The LEP has also agreed to fund and support the shadow LCA's work on developing its understanding of local housing market dynamics, growth opportunities and constraints, with the aim of identifying the key interventions, which may be thematic and/or place-focused, to accelerate the delivery of new and extant housing growth opportunities in Lancashire.
- New evidence is also emerging regarding major local economic opportunities in the energy sector, for example, especially in nuclear with potential SMR developments, and potentially in relation to supply chain opportunities in the shale gas sector.



- The LEP and local authority partners are also developing their understanding of “inclusive growth” and the RSA’s Inclusive Growth Commission will also report shortly. Again, these analyses will provide insights that will help to shape the refreshed SEP.

2.2 The SEP refresh will be fully informed by these analyses, but a number are still work in progress which means the timescale to deliver a refreshed SEP is likely to be extended to May.

Changing Policy Context

2.3 The need to refresh the SEP is given additional impetus by recent changes in national economic policy. The Government’s recently published Industrial Strategy with its intention to deliver radical productivity improvements via measures such as “sector deals” with industry leaders, alongside continued economic devolution, challenges our SEP refresh to position and identify Lancashire’s contribution to delivering revised national objectives.

2.4 The Northern Powerhouse, as a key economic and spatial growth driver, with an institutional structure to support key elements such as Transport for the North, will continue notwithstanding recent changes in Ministerial personnel. A strong Lancashire voice will continue to be required within the North of England.

2.5 Irrespective of change at the Northern Powerhouse level, Lancashire needs to continue to strengthen and forge new economic relationships with its city-region neighbours (and competitors) as their plans have also continued to develop in recent years.

2.6 Although the impacts of the recent decision for the UK to leave the European Union have yet to be fully identified there will be significant post-Brexit implications for Lancashire which will need a strong economic response – especially in relation to international trade and inward investment.

2.7 The welcome progress made by Lancashire’s local authorities in seeking to establish a Combined Authority, which hopefully will be in place by April 2017, provides a further powerful reason to refresh the SEP. In the meantime, Lancashire's local authorities are operating the proposed LCA in shadow form.

2.8 As previously reported, the Chair of the LEP is invited to shadow LCA meetings with local authority leaders, with the LEP Chair becoming a non-constituent member of the LCA, once arrangements have been confirmed by Parliament.

2.9 The shadow LCA is aiming to develop a Lancashire Plan to direct and focus agreed priorities with a refreshed SEP recognised as the key growth input to a new overarching Lancashire framework for growth, regeneration and public service reform. Though work on the Lancashire Plan is still at an early stage,



it is important the SEP refresh provides the shadow LCA with the opportunity to fully contribute to its development.

- 2.10 The shadow LCA, in conjunction with the LEP, is also developing its first Devolution Deal proposal for Government's consideration. It will be important that the refreshed SEP supports the strategic case-making for this and future Devolution Deals.
- 2.11 It should be noted that the shadow LCA has offered the support of senior local authority economic development officers to support the SEP refresh. This is a welcome offer. For example, this additional officer capacity will help the LEP to better understand collective local authority spatial thinking, inclusive growth and strategic pipeline development priorities, as well as housing growth ambitions linked to economic opportunities.
- 2.12 In time, greater joint working at the LCA level may also encourage local authorities to work together and co-invest to establish a comprehensive inward investment service for Lancashire, which is urgently needed, to help deliver new economic opportunities, whilst also helping to sustain and enhance successful business support services such as Boost. These are some of the priority actions that will need to be considered, in conjunction with the LCA, in developing the action plan in support of the refreshed SEP.

3. Next Steps

- 3.1 The Board has previously agreed that the SEP refresh process will aim to build from the strong strategic and evidential platform established by the first SEP, which is being further strengthened by new analyses, as outlined above.
- 3.2 The refreshed SEP will remain focused on driving forward Lancashire's growth ambitions with the aim of closing productivity gaps by creating the conditions that enable businesses to grow and residents to access higher value employment.
- 3.3 At this stage, it is not proposed that current SEP strategic priorities¹ be recast, though these will be reviewed for continued relevance. These priorities will also need to be shared and tested with the shadow LCA for their comment.
- 3.4 The base and policy-on economic forecasts used to inform the first SEP will also be reviewed and updated. However, we will also utilise the forecasts of others, including updated Northern Powerhouse IER-based analyses, which suggest Lancashire's underlying growth trajectory has significantly improved in recent years with performance levels expected to out-perform key benchmarks and comparator areas, though our inherited national performance gap is still significant.

¹ The SEP identified six strategic priorities: sector development and growth; innovation excellence; skills for growth; business growth and enterprise; releasing local growth potential; and the renewal of Blackpool.



- 3.5 There is also a need to identify new strategic and transformational programme and scheme proposals for consideration and inclusion in the refreshed SEP, with a supporting action plan. Subject to Board approval, it is proposed that new strategic and transformational programme and scheme proposals (though not with fully developed business cases, at this stage) be jointly sought by the LEP and shadow LCA from public and private sector partners.
- 3.6 In conjunction with the shadow LCA, consideration will also need to be given to engaging Lancashire's 16 MPs in the SEP refresh.
- 3.7 The spatial framework underpinning the refreshed SEP will be critical to Lancashire's growth ambitions. The refreshed SEP provides the opportunity to develop and extend spatial thinking, given a better understanding of the role and function of places such as Lancaster, Chorley and West Lancashire, and the development of local growth and prosperity strategies in Blackpool and the Fylde Coast and East Lancashire.
- 3.8 It will also be important to work with the shadow LCA to test the possibility of establishing a spatial framework for Lancashire, or better aligned local plans, which can support ambitious and sustainable economic and housing growth priorities.
- 3.9 The refreshed SEP will be more externally focused, given the development of the Northern Powerhouse, for example, but also on matters such as international trade and inward investment. Building on the LEP's success in developing major centres of innovation and skills excellence, and Lancashire's key sectoral strengths and challenges, the refreshed SEP will also identify and develop Lancashire's economic leadership role in influencing the new Industrial Strategy and other key agendas.
- 3.10 It is also proposed that 2040 is adopted as the "planning horizon" end-point for the refreshed SEP to reflect the need to link long-term strategic transport priorities with growth driving impacts, as many major schemes can only be delivered within such a timeframe. However, it is anticipated the refreshed SEP would be ready for review again by 2020.
- 3.11 The expectation is to have a refreshed SEP ready for sign-off by the LEP and LCA by the end of May. However, the aim is to provide an initial outline draft for the March meeting of the Board which will then be shared with the shadow LCA. This will provide an opportunity to review strategic priorities and comment on the structure and flow of the document, though some detailed analysis will be dependent on key policy research inputs which will only be finalised in April.



Lancashire Enterprise Partnership Limited

Private and Confidential: No

Tuesday, 31 January 2017

European Structural and Investment Funds - Post Autumn Statement 2016 Update

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Executive Summary

The LEP Board is asked to note the contents of the report, including current commitment levels and 'at risk' ESIF resources. In particular the Board is requested to consider;

- I. the issues related to the European Social Fund (ESF) capacity, as detailed in paragraphs 2.4 to 2.8,
- II. the broader issues related to the future of the ESIF programme and the need to plan for a successor programme(s) as highlighted in Section 3, and
- III. whether, in the light of the Building Our Industrial Strategy Green Paper, to lobby Ministers directly to raise the issues contained in the report.

Background and Advice

1. European Structural and Investment Funds 2014-20 Implementation

1.1 The Government established a National (England) Growth Programme for EU funding over the period 2014-20, overseen by a National Growth Board. The Growth Programme is based upon an UK wide agreement with the European Commission (EC) until 2020.

1.2 The Growth Programme includes the European Regional Development Fund (ERDF), European Social Fund (ESF) and a proportion of European Agricultural, Farming and Rural Development Fund (EAFRD). The EU Growth Plan is worth approximately £5bn in England, with Lancashire having an indicative allocation of £216m (6th largest allocation in England); this figure includes the impact of the last Exchange Rate review and additional resources, circa £4m, added to the programme following a statistical review conducted by the EC.

1.3 To access this funding all LEPs submitted a European Structural and Investment Funds (ESIFs) Strategy linking key local priorities to national Operational Programmes. The delivery of the ESIF programme remains in the control of three Government Departments managing the key Operational Programmes, namely:



- ERDF – Department for Local Communities
- ESF – Department for Work and Pensions
- EAFRD – Department for the Environment, Farming and Rural Affairs

The Government has indicated, post the EU Referendum, that all project applications will be reviewed against UK domestic priorities and an enhanced value for money criterion. As yet it is not clear how this will happen or the possible impact upon current and future projects.

- 1.4 LEP area sub-committees of the National Growth Board provide advice on calls, project assessments (local strategic fit) and performance management as well as overseeing project pipeline development. In Lancashire, this work is undertaken by the Lancashire ESIF Committee which reports to the National Growth Board.
- 1.5 Lancashire's original allocation was £231m but because of Exchange Rate fluctuations this has reduced to £216m; ERDF £126.48m, ESF £86.32m, EAFRD £4.2m, of which only £203m (94%) can be committed (the remaining funds can only be accessed when Performance Reserve targets are met). The £216m includes £4m allocated to the programme as part of a statistical review undertaken by the EC.
- 1.6 In order to draw down the ESIF allocation project providers need to provide a minimum of 40% of match funding which, at the current exchange rate, makes the programme worth at least £360m.
- 1.7 In response to the allocation of finances and targets to Lancashire ESIF programme, the ESIF Committee felt that some did not meet Lancashire's economic needs and/or were not achievable. It was agreed that
 - the allocation to the Research and Innovation priority was too small given Lancashire's aspirations in this area and priorities set out in the ESIF Strategy (the Lancashire allocation was below the national average)
 - the targets for the ICT priority did not consider Lancashire's progress on the delivery of Superfast Broadband Infrastructure (current coverage at 97% and increasing)
 - The allocation to the Low Carbon priority was too high (above the national average) and should be swapped to the Research and Innovation/Climate Change (Flood Mitigation) priorities to support projects of greater local significance.
- 1.8 At the request of the Government all LEPs have recently submitted proposals to be included as part of the Programme Modification negotiations that will start later in 2017. This will involve the UK Government seeking agreement with the EC on changes to the National ESIF programme including outputs (volume and type) and financial allocations between priorities and eligibility rules.
- 1.9 On the basis of the issues highlighted in paragraph 1.7 above the Lancashire Programme Modification submission proposes that;



- The additional £2.4m for the ERDF programme, resulting from the statistical review, be added to the allocation for Priority 1 Research and Innovation taking the full allocation up to £15.36. This to support existing and any future priority activity in this area, with a focus on advanced manufacturing and industrial performance priorities.
- That any Priority 2 ICT call focus on businesses/enterprises supported outputs rather than Superfast Broadband Infrastructure given current, and planned, coverage in Lancashire and the restrictive nature of the funding criteria, i.e. businesses need to be ERDF eligible and have broadband speeds of below 2Mbps.
- A reduction in the resources allocated to Priority 4 Low Carbon to put the Lancashire programme on par with the national Low Carbon allocation per LEP
- An increased allocation for Priority 5 Climate Change (Flood Mitigation) to better reflect the Lancashire's issues and the strong pipeline of activity that will support and protect businesses and homes (worth up to £10m)

Civil servants indicated at the last ESIF Committee, held on 12th January 2017, that there was no timescale for the Government to consider or agree the proposals. In addition, there is no guarantee that any of the proposals will be included in the national proposal to be put to the EC and neither has any guidance been issued as to how the possibly conflicting proposals of 38 LEPs will be managed.

2 Current Position of the ESIF programme

- 2.1 The Lancashire ESIF Committee has overseen a number of calls since the ESIF programme was launched and has recommended for approval approximately £92m of activity, some 42% of the programme.
- 2.2 Where Government has issued contracts it has been for up to 3-years, not the full length of the programme to 2020. Most recently the Department for Work and Pensions (DWP) has been proposing that ESF projects can deliver until December 2019 with financial completion by March 2020. The Department for Communities and Local Government (DCLG) has indicated that additional approved projects will still receive 3 year contracts, which, for the later calls could see projects being able to deliver to December 2019 and beyond.
- 2.3 The Lancashire programme was operating above national expectations and its performance was in the top third of all 38 LEPs as of autumn 2016. However, delays in issuing calls may have impacted on this position. In the case of the ERDF programme five calls had been waiting to be issued since September 2016 and were not issued by the Managing Authority, DCLG, until December 2016. The calls are;

Priority	Call Value
Research and Innovation	£12.5m,
ICT	£5.94m
Low Carbon	£7.00m
Climate Change (Flood Mitigation)	£3.10
Environment and Energy	£1.79m
Total	£33.32m

Should the Lancashire Programme Modification proposals be agreed it would mean additional resources for Flood Mitigation activity and the delivery of the Enterprises Supported output in Priority 1 (Research and Innovation).

- 2.4 In the case of the ESF programme calls have been waiting to be issued since July 2016 but delays by the Government's Managing Authority, DWP, means that these have still not been issued. Despite being pressed at the last ESIF Committee DWP will still not guarantee to issue the outstanding Lancashire calls as they will be subject to a further prioritisation process (for which the criteria are not available but is likely to be linked to poor performance and DWP capacity). It should be noted that DWP has issued 20+ calls across the country since September 2016 in areas where the ESF delivery performance was not as good as Lancashire's
- 2.5 The latest Government advice is that the call related to Training Capacity in SMES may be issued by the end of January 2017. However the other calls (Widening Participation and Leadership & Management) do not have a timescale for being issued.
- 2.6 Perversely, it appears that Lancashire's initial success in committing ESF resources to projects is now being used as a reason for not issuing calls. The delays in the ESF programme are putting Lancashire priority activity at further risk as there could be an impact upon the availability of match funding and capacity within delivery organisations should these delays continue.
- 2.7 Originally the Lancashire ESIF programme had intended to deliver £41m of ESF activity via the Skills Funding Agency (SFA) Opt In mechanism. An Opt In allows for an organisation such as the SFA to pre match ESF resources and then procure output delivery via its own processes.
- 2.8 As a result of changes in the future delivery of skills funding, including the impact of Combined Authorities and Devolution Deals, the SFA can no longer match the full ESF amount. Thus, £13.7m of ESF is now no longer committed and, if it is to be delivered, will need to access match funding from other sources. This is in addition to the additional £2m allocated to the ESF programme based on the statistical review. This issue has been considered by the ESIF Committee and work commissioned by the Lancashire Employment and Skills Board to gain a better understanding of possible options. This will be reported back to the ESIF committee in March 2017.

As with the delays in issuing ESF calls, the uncertain future of the SFA, and related match funding, will make it harder to deliver national and local skills priorities.

- 2.9 The first EAFRD calls were issued in November 2015 and, at the time of writing, £382,000 worth of projects have been contracted. Further calls, worth £1.75m, supporting Tourism Infrastructure and Food Processing activity were issued on 26th January 2017. Discussions related to a possible rural Superfast Broadband call are due to take place in February 2017.

3. ESIF Programme Risk/Forward Planning Issues

- 3.1 There has been limited formal guidance from Government on the impact of the EU Referendum other than suggestions to carry on with "business as usual" with a degree of re-assurance offered by the recent Autumn Statement which indicated that contracted projects would have their funding guaranteed even after the UK leaves the EU.
- 3.2 Given the issuing of new ERDF calls, it can be assumed that projects funded post Autumn Statement will have their funding guaranteed. Indeed, the current guidance is that project contracts will be for a maximum of 3-years which could take projects to December 2019. Unless supplementary guidance is issued the ESIF programme is still planned to deliver until 2020 with the full indicative allocation available (although possibly under a different funding stream).
- 3.3 Based upon the projects that have been contracted, approved and calls issued in December 2016 the level of funding at risk has reduced since the last Board report and is currently estimated at £92.6m (down from £112.5m) of which £86.88m is currently allowed to be committed. This is broken down as follows:

	94% 'At Risk'
• ERDF	£49.19m
• ESF	£36.34m
• EAFRD	£1.35m
Total	£86.88m

These figures do not take into account the calls that are ready but not yet been issued for ESF, worth £9m, and are dependent upon the full call allocations committed to projects. Neither do they take into account extensions to existing projects after their current contracts expire (from 2018 onwards) and initiatives such as the Evergreen Urban Development Fund which is currently in development.

- 3.4 From a Lancashire perspective, key issues for the Board to be aware of are:



- The length of contracts to ensure projects have adequate time to deliver meaningful outputs and outcomes rather than a 'rush to spend';
 - Continued support for approved projects where they meet local priorities and are delivering to target to overcome any funding gaps;
 - A requirement to deliver the *Enterprises Supported* revenue output with a focus on Lancashire priority sectors such as Advanced Manufacturing;
 - The need to establish a new national investment programme, of at least similar scale, to replace EU funding from 2020 that supports the delivery of locally determined economic growth and regeneration priorities.
 - Government capacity resulting in delays in issuing calls, appraising applications and agreeing contracts.
 - The availability of match funding for key local priorities such as Flood protection and mitigation (Environment Agency), Skills (successor to the SFA) and business support.
- 3.5 The appropriate level of capacity to be able to deliver the ESIF programme is crucial to ensure that the benefits of the programme can be maximised in support of local and national priorities. Currently, Government capacity does not appear to be in place across all the constituent ESIF programmes (although Lancashire Officers could provide additional support if allowed).
- 3.6 Additionally, the Government also needs to plan for a successor programme(s) to the European Structural and Investment Funds. The recently published *Building Our Industrial Strategy* Green Paper prioritises many of the activities already supported through the ESIF programme but does not indicate how they will be targeted and delivered or when this will occur.



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Tuesday, 31 January 2017

Marketing and Communications Update

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Executive Summary

This report updates the Board on the development and delivery of a marketing and communications strategy for the Lancashire Enterprise partnership (LEP).

Recommendation

The LEP Board is asked to:

- (i) Note and comment on the contents of this report;
- (ii) Approve the proposed approach to continuing to develop a strategic marketing proposition for Lancashire, as set out in this report; and
- (iii) Note that the Chief Executive of Marketing Lancashire, as the LEP's media, communications and PR lead, continues to provide regular updates to the LEP Board on strategic marketing and communications activity and its outputs.

Background and Advice

1. Context

- 1.1 The delivery of strategic marketing and communications activity for the LEP continues with outputs generated by the planning and delivery of media opportunities, branding activity, events, and the development of the Lancashire narrative. This report outlines progress being made in each of these areas.
- 1.2 SKV Communications, the agency in place and managed by Marketing Lancashire on the LEP's behalf, has been retained for a further 4 months until the end of April 2017 as during this period there are a significant number of events which require maximum PR coverage for the LEP.
- 1.3 In extending the contract, there has been a revision of the original contract. SKV Communications will continue to deliver media and communications,



with Marketing Lancashire taking on responsibility for the management of the LEP's twitter account and the production of the weekly Lancashire Business Brief. This has resulted in a fee saving of £2,000 per month.

2. Activity Update: Developing the Lancashire Economic Narrative

- 2.1 The launch of the Lancashire Narrative was held at Burnley Football Club on Wednesday 9 November to coincide with a visit from the Northern Powerhouse (NPH) Minister, Andrew Percy MP. The event was attended by over 220 delegates from the private and public sector, with many of Lancashire's key economic sectors represented. Tony Livesey from BBC Radio 5 hosted the event.
- 2.2 The schedule for the event was; a brief launch of the Lancashire Narrative "We are Lancashire – the Place for Growth" showcasing sectoral strengths and an overview of the LEP's vision and achievements, an update from the NPH Minister on progress and plans for the government initiative, followed by an interview with the Chair of the LEP, the Chair of the Lancashire Combined Authority and a Q and A session. Prior to the event there was a media opportunity for the Chair of the LEP and the NPH Minister to sign the LEP's agreement with Government to be an NPH partner, the first LEP in the country to do so.
- 2.3 After the event the Minister then formally opened Innovation Drive in Burnley, travelled to Blackpool Airport for the official MoU signings for both Blackpool Airport and Hillhouse Enterprise Zones, was then involved in a "turf cutting" of the new Engineering and Innovation Centre at UCLan, and then travelled to County Hall which was the host venue for the Northern Powerhouse LEP Conference.
- 2.4 The Chief Executive of Marketing Lancashire subsequently received a thank you letter from the Minister to say how much he had enjoyed the launch and his time in Lancashire. The Lancashire Narrative will be promoted again at the Lancashire Ambassador programme launch scheduled for May.

3. Media and Communications

3.1 Northern Powerhouse Ministerial visit and Lancashire narrative launch

- 3.1.1 Following on from the high-profile exposure secured through the MIPIM UK event in October, the next major communications objective for the LEP was to maximise the visit to Lancashire by Andrew Percy MP, the new Northern Powerhouse Minister and to launch the Lancashire narrative.
- 3.1.2 As with MIPIM, pulling all the elements of the Ministerial visit together was challenging and the sheer amount of content, collateral, partners and logistics involved meant the communications had to be micro-managed at every stage.



- 3.1.3 The key messages identified to create the most compelling PR messages included:
- The Minister's all day itinerary featuring five engagements, reflecting Lancashire's significance within the Powerhouse context;
 - Lancashire being 'invited' by government to become the first LEP to sign-up to the official Northern Powerhouse Partnership;
 - Lancashire presenting a 'united front' to the Minister – with the LEP Chair and Combined Authority Chair coming together at the Burnley FC event , before the Minister went on to meet representatives of different local authorities, partners and businesses across the whole county; and
 - The Burnley event providing a platform to share updates with partners and business leaders regarding key initiatives such as progress on the Combined Authority, the Lancashire Narrative and the 'We Are Lancashire' positioning.
- 3.1.4 SKV were tasked with liaising with all local partners to reassure them that their part of the Minister's tour would be given an equal billing, including sourcing individual approved quotes from each partner representative.
- 3.1.5 SKV and Marketing Lancashire also worked closely with Government officials at the Department for Business, Enterprise and Industrial Strategy (BEIS) and senior Government communications officers at the Department for Communities and Local Government (DCLG) to help manage a variety of media opportunities at each stage of the Minister's tour. This included the Minister's visit to meet hi-tech and AEM businesses at Burnley's Innovation Drive, a tour of Blackpool Airport Enterprise Zone and the new Energy HQ build, a ground-breaking ceremony at UCLan and a visit to County Hall.
- 3.1.6 After extensive correspondence, the Minister's communications team agreed to fulfil the national and regional media requests which had been proposed including *The Guardian's* Helen Pidd, *The Times's* Gabriella Swerling, *The Financial Times's* Andy Bounds, and the BBC North West's political reporter Kevin Fitzpatrick.
- 3.1.7 This in turn resulted in these individuals attending the Burnley FC event, interviewing the Minister and listening to the presentations/Q&As with the key Lancashire speakers, as well as having one-to-one interview time with the Minister. Andy Bounds of the FT, who was unable to attend due to the adverse weather conditions, held telephone interviews with the Minister and the Chair of the LEP later in the day.
- 3.1.8 SKV also drafted and issued a detailed diary marker pre-event to encourage regional and local media to attend the Burnley event. This resulted in North West Insider, Lancashire Business View, The Lancashire Telegraph and the head of BBC Radio Lancashire attending the event.
- 3.1.9 On the day itself, a full embargoed press release detailing the Minister's Lancashire tour, the NPH signing ceremony, the emergence of the



Lancashire CA, the growing momentum behind the '*We Are Lancashire*' branding and the overall significance of the whole day's event was issued.

- 3.1.10 SKV and Marketing Lancashire were present at the Burnley event to manage the media attending, and SKV representatives were present at every stage of the Minster's tour to supervise photography and accommodate any local media attending individual parts of the itinerary.
- 3.1.11 This combination of a managed and disciplined media strategy, a sensitive yet practical approach to working with local partners and government, and responsive and flexible 'on the ground' delivery on the day, resulted in meant from a PR perspective things ran very smoothly.
- 3.1.12 The results in terms of media coverage were equally positive with national coverage linked to the event secured in The Guardian and The FT, an extended package (including an interview with Jenny Mein and footage from the new *We Are Lancashire* promo video) broadcast on the North West strand of the BBC Politics Show, and extensive local and regional coverage in all key Lancashire press and North West business media. Feedback from government, both from BEIS and DCLG, was very positive regarding the smooth and professional running of the day itself, the media management, and the resulting coverage.

3.2 Growth Deal 3 Announcement

- 3.2.1 The Autumn Statement was monitored for any opportunities to comment on any Lancashire-specific funding revealed by the Chancellor. As there was a delay in announcing Growth Deal 3 (GD3), it was agreed that the LEP should not formally comment on the Autumn Statement and wait for the official Growth Deal announcement which was due before Christmas.
- 3.2.2 Working closely with BEIS, SKV drafted a LEP response to an anticipated GD3 'best case scenario' announcement, which included references to the key projects that Lancashire hoped would be green lighted, and that GD3 funding was a vote of confidence in the LEP and Lancashire's ability to drive growth and deliver large-scale economic initiatives. The response included quotes from Edwin Booth, Cllr Simon Blackburn and Graham Cowley.
- 3.2.3 The press release also referenced the tangible evidence of increased unity across the county, and the emerging presence of the Combined Authority. Following further feedback from BEIS in December, the GD3 announcement was delayed until the New Year.
- 3.2.4 Finally, it was confirmed on Friday January 20th that Government were going to issue the regional GD3 announcements, including Lancashire's, under embargo for 3pm on Monday January 23rd. SKV immediately contacted regional TV, who had been primed before Christmas regarding the impending announcement. The media were still interested in featuring a possible piece about the North West's GD3 allocation, anchored by a report from Lancashire.



- 3.2.5 However, on the morning of Monday 23rd January, the Government brought forward some of the GD3 announcements and investment figures as part of the PM's launch of the Industrial Strategy, which itself was launched off the back of a regional cabinet meeting held in Warrington on the same day.
- 3.2.6 GD3 funding was explicitly linked to messaging about how the new Industrial Strategy was designed to support the whole of the UK.
- 3.2.7 The Government decided to make the Winter Garden's a 'hero story' and this drove the BBC NW agenda. In the early evening news on BBC NW Tonight there were interviews with the Deputy Leader of Blackpool Council and a brief comment from the Chair of the LEP about the difference the investment in Blackpool would make. The later BBC NW news programme included a round-up of the North West recipients of Growth Deal money with Lancashire, the very first region mentioned. The Lancashire LEP also directly credited (unlike other regions where it was just the 'place' that was described as securing funds) and the Chair of the LEP's Blackpool comment was shared again. Many other LEP's and city-regions did not secure mention of their GD3 funding, or priority projects.
- 3.2.8 BBC Radio Lancashire also wanted to report on the GD3 funding secured by the LEP, resulting in the Chair doing a live phone interview on Drive Time, articulating several key messages about the LEP's (and Lancashire's) track record in delivery pointing out that Lancashire's share of the pot was a lot higher than most due to its ability to "get things done". The overall piece was very positive for the LEP and the county and sound-bites from the interview, were subsequently used throughout the rest of the evening and on the following morning's BBC Radio Lancashire bulletins.
- 3.2.9 Insider magazine, Bdaily, Lancashire Evening Post, Lancashire Business View and In the Bay radio all ran LEP-generated stories about the funding. The Burnley Express and Blackpool Gazette both focussed on projects on their respective patches with references to the LEP. Additional coverage from the Lancaster Telegraph is still to come.
- 3.2.10 Other regional news platforms, such as the Business Desk and Place North West, reported on the GD3 allocations and highlighted projects by the Government's press release about the Industrial Strategy.
- 3.2.11 Overall, the messaging and media coverage linked to Lancashire's GD3 announcement has been very good and no other LEP or city-region in the North West enjoyed the same level of exposure or credit regarding the GD3 announcement as Lancashire achieved on the day of the announcements.
- 3.3 BAE Systems' Academy for Skills & Knowledge (ASK)**
- 3.3.1 For BAE's official launch of the new £15.6m ASK facility in December SKV negotiated the inclusion of information about the LEP's support for ASK in BAE's notes to editors, and also drafted a LEP quote about the ASK facility,



the LEP's investment in the wider Samlesbury EZ, and the LEP's commitment to support skills and apprenticeships within AEM and aerospace sectors (an ongoing LEP key message).

- 3.3.2 This quote was circulated to all local and regional media on the day of the launch. As a result, the LEP secured an extensive quote in both online and print reporting in Lancashire Business View, and in the North West Business Quarter magazine.

3.4 Jobs and skills feature for Blackpool Gazette/Lancashire Evening Post

- 3.4.1 Through discussions with the Business Editors of these titles, an opportunity arose for the LEP to comment as part of a special focus on Lancashire's energy sector. This resulted in a 500-word comment piece, attributed to Dr Michele Lawty-Jones of the Skills Hub, highlighting Lancashire's opportunities and challenges with regards to job creation within the energy sector as well as the county-wide investments the LEP is making in vocational training and employee engagement to address the needs of the energy and energy-related sectors.

- 3.4.2 SKV is working with the Skills Hub regarding the roll-out of the Digital Advantage initiative, a LEP-supported scheme to train young people in key skills needed to support growth in the digital sector.

3.5 City Deal - *The Place for Growth* - Place North West City Deal Event, Preston, February 7th

- 3.5.1 This event will take place at RSM's offices in Preston. Over 140 delegates have registered so far to attend which is deemed a "sell-out" event for Place NorthWest. Key panel sessions at the event will discuss the planning and development landscape within the City Deal footprint, with LEP Board Director Jim Carter opening the event. Panellists include representatives from Muse Developments, Maple Grove Developments, Cushman and Wakefield, UCLan and Colliers.

- 3.5.2 After a period of consultation an inward investment prospectus for the City Deal footprint is being developed. The aim is to launch this at the MIPIM event in March.

4. Digital Communications

- 4.1 Over the last ten editions of the *Lancashire Business Brief (LBB)*, the number of subscribers has grown to 1,007 with around a third of subscribers opening the e-mail itself. The LBB continues to be the county's best source of positive economic stories and business news on a weekly basis.

- 4.2 Around 6,420 users have viewed 31,446 pages on www.lancashirelep.co.uk over the last two months. The www.lancashirelep.co.uk news pages are up to date with strategically important news stories delivering key messages on behalf of the LEP and partners.



4.3 The LEP twitter account's (@lancslep) number of impressions has reached almost 50,000 in total since 1 November 1. It has 1,180 followers, having added over 227 followers in two months. Marketing Lancashire continues to regularly tweet positive LEP news, promoting links to key stories and retweeting partner news daily.

4.4 In December, it was decided that the LEP Twitter feed, Lancashire Business Brief and Lancashire Link newsletter would be taken in-house and managed by Marketing Lancashire colleagues. SKV will continue to support the LEP on digital work-streams with advice and guidance as required, and also ensuring they are aligned to the LEP's overarching marketing and communications positioning.

5. Forthcoming events and PR opportunities

- Vision Park Ground breaking, Burnley – Jan 26th
- New LEP board members announcement February
- New LEP business plan and achievements document February
- The Place for Growth - Place North West City Deal Event, Preston - February 7th
- The Northern Powerhouse Conference, Manchester - February 21-22
- MIPIIM Cannes March 13th-17th
- Wincanton facility opening at Samlesbury EZ – Feb/March - TBC
- Insider's Business of Lancashire conference, Ribby Hall – April 21
- Revised LEP SEP - date TBC

6. Positioning and Promotion of Lancashire's Enterprise Zone Programme

6.1 Brand guidelines have now been sent to all local authority, landowner, commercial agent partners and key stakeholders who took part in the consultation workshop and survey.

6.2 Marketing Lancashire will act as brand guardians and all collateral will be signed off through them to ensure that the marketing and communications of the Enterprise Zones is controlled.

6.3 A separate 12-month marketing and communications plan will be developed to support the new Enterprise Zone identity for the MIPIIM Cannes event, the goal of which is to launch a more comprehensive offer to support the new cluster approach.

6.4 Signage and key collateral for the Samlesbury Aerospace Enterprise Zone which incorporates the new branding, has now been produced including a comprehensive brochure and supporting web pages. A follow up meeting was held with Marketing Lancashire and the LEP to discuss how this approach could be adopted for all four Enterprise Zone sites based on the quality of the Samlesbury collateral.



- 6.5 Discussions will now focus on EZ marketing and promotional activity, enquiry generation and handling, regular communication to monitor progress and to feedback challenges and opportunities with all stakeholders, landowners and agents.