

Company Number: 07388600

Lancashire Enterprise Partnership Limited Board

Tuesday, 6th November, 2018 in Committee 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. Declarations of Interest**
- 3. Minutes of the Board meeting held on 26th June 2018 (Pages 1 - 6)**
- 4. Minutes of the Special Board meeting held on 12th September 2018 (Pages 7 - 10)**
- 5. Matters Arising**
- 6. Lancashire Enterprise Partnership Governance and Committees Decisions Report (Pages 11 - 34)**
- 7. Lancashire Enterprise Partnership Operational Budget 2018/19 - Update Report (Pages 35 - 42)**
- 8. LEP Transition Update - Response to Local Enterprise Partnership Review (Pages 43 - 68)**
- 9. Any Other Business**
- 10. Date of Next Meeting**

The next Lancashire Enterprise Partnership Board meeting is scheduled to be held on Wednesday 12th December 2018, 4:30pm in Committee Room 'D' - The Henry Bolingbroke Room, County Hall, Preston.

11. Exclusion of the Press and Public

The Board is asked to consider whether, under Section 100A(4) of the Local Government Act 1972, it considers that the public should be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 12A to the Local Government Act 1972 as indicated against the heading to the item.

Part II (Items that are Private and Confidential)

- 12. Appendix B to the Budget 2018/19 Report - Growing Places Investment Fund Balance Statement as at 30th September 2018 (Pages 69 - 70)**
- 13. Growth Deal Funding Approval and Update Report (Pages 71 - 78)**
- 14. Marketing and Communications Report (Pages 79 - 86)**

Lancashire Enterprise Partnership Limited Board

Minutes of the Meeting held on Tuesday, 26th June, 2018 at 4.30 pm at the Committee Room 'D' (The Henry Bolingbroke Room) - County Hall, Preston

Present

Edwin Booth (Chairman)

Jim Carter
Graham Cowley
Ann Dean
Liam Finnigan
Councillor Ken Hind

Mark Rawstron
Councillor Phil Riley
Professor Mark Smith
David Taylor
Claire Whelan

In Attendance

Jo Ainsworth, Specialist Advisor Finance, Lancashire County Council
Paul Evans, Assistant Director, Department for Business, Energy and Industrial Strategy
Councillor Mary Green, Leader, South Ribble Borough Council
County Councillor Michael Green, Cabinet Member, Lancashire County Council
Martin Kelly, Director of Economic Development and Planning, Lancashire County Council
Rachel McQueen, Chief Executive, Marketing Lancashire
Andy Milroy, Senior Democratic Services Officer, Lancashire County Council
Kathryn Molloy, Head of Service LEP Coordination, Lancashire County Council
Angie Ridgwell, Chief Executive and Director of Resources, Lancashire County Council
Laura Sales, Company Secretary
Alison Schmid, Service Lead, Strategy and Funding, Blackburn with Darwen Borough Council
Councillor Ivan Taylor, Cabinet Member, Blackpool Council
Andy Walker, Head of Service Business Growth, Lancashire County Council
Jonathan Dixon, Blue Sky (in part)

1. Welcome and Apologies for Absence

The Chair, Edwin Booth, welcomed all to the meeting. Apologies were received from County Councillor Geoff Driver, Councillor Simon Blackburn, Mike Blackburn and Khalid Saifullah.

2. Minutes of the meeting held on 24th April 2018

Resolved: That the minutes of the meeting held on 24th April 2018 be confirmed as a correct record and signed by the Chair.

3. Matters Arising

None

4. Declaration of Interests

Councillor Phil Riley declared an interest in Agenda Item 7 – Growth Deal Funding Approval and Update Report, as a Blackburn with Darwen Borough Councillor his authority had submitted the Furthergate Scheme for consideration. It was agreed that Councillor Riley could remain present for the item but would not take part in voting on the item.

5. Lancashire's Innovation Priorities and UKRI Opportunities

Professor Mark Smith, LEP Director and Vice-Chancellor Lancaster University, provided a presentation to the Board regarding Lancashire's Innovation Priorities and UK Research and Innovation.

Mark highlighted that the presentation was related to minute item 6 from the last meeting – Strategic Economic Plan Refresh and was part of the development of the refreshed plan.

It was reported that UK Research and Innovation (UKRI) was launched in April 2018 and is the new funding organisation for research and innovation in the UK.

It brings together the seven UK research councils, Innovate UK and a new organisation, Research England, all working closely with its partner organisations in the devolved administrations.

There is over £6bn in combined budget per year for investment in research and innovation. The objectives of UKRI are split into three overlapping categories – Knowledge, Society and Economy to create an outstanding organisation that ensures the UK maintains its world leading position in research and innovation.

The presentation also highlighted the Industrial Strategy Challenge Fund which aims to bring together the UK's world leading research base with business to meet the major industrial and societal challenges of our time, and, UKRI Strength in Place Fund which aims to support collaborative programmes based on research and innovation excellence in places right across the UK.

Whilst not a pre-requisite for applicants to have previously completed an Science and Innovation Audit (SIA) and the Strength in Place Fund is not a follow on fund for SIA support, SIA data is seen as part of the evidence that consortia may draw upon, dependent on the economic geography making the bid.

With regard to flexible economic geography consortia are expected to self-determine the spatial geography that projects will focus on.

The scope of activities was highlighted and what was considered to be in / out of scope.

In terms of timescales, successful projects will be fully funded from 2019/20, the Expression of Interest (EOI) closing date for applications is 25th July 2018. Full stage successful EOIs will receive seed corn funding (£50k) to develop full stage bids from mid-October 2018. Successful full stage projects are expected to be announced early Summer 2019.

An update was also provided on the Lancashire and Sheffield City Region Science and Innovation Audit. This included recommendations to build on success, scale up and new opportunities. It was noted that between Sheffield City Region and Lancashire lie the components required to equip the UK to deliver the vision of the 4th industrial revolution.

Resolved: The Lancashire Enterprise Partnership Board received, noted and endorsed the presentation regarding Lancashire's Innovation Priorities and UKRI Opportunities.

6. LEP Governance and Committees Decisions Report

Andy Milroy, Senior Democratic Services Officer, Lancashire County Council presented a report (circulated) which provided the LEP Board with LEP Governance and recent Committee meeting updates.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Noted the updates provided in the report in relation to Governance and the Committees of the LEP.
- (ii) Approved the revised Terms of Reference for the LEP Performance Committee as attached at Appendix 'A'; and
- (iii) Approved the revised Terms of Reference for the LEP Skills and Employment Board attached at Appendix 'B' and authorised Dr Michele Lawty-Jones, Director of the Lancashire Skills Hub and Martin Kelly, Director of Economic Development and Planning, to develop an appropriate selection process to identify a Head Teacher with a recommended appointment then submitted to the LEP Board for approval.

7. Growth Deal Funding Approval and Update Report

Kathryn Molloy, Head of LEP Co-ordination, Lancashire County Council presented a report (circulated) which contained Growth Deal Funding updates and items for approval.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Approved a maximum funding allocation of £3.44m to the Pennine Gateways – Furthergate Link Road scheme; and

- (ii) Approved the Growth Deal reporting submission to the Cities and Local Growth Unit for Quarter 4 (January to March) 2017/18 Quarterly Reporting Summary Dashboard as set out as Appendix 'A'.

8. Marketing and Communications Activity Update Report

Kathryn Molloy presented a report (circulated) which provided the Board with an update on Marketing and Communications Activity since the last Board meeting.

The Board was reminded that Marketing Lancashire has been commissioned by the LEP to undertake a number of marketing and communication activities to promote the LEP. The new Chief Executive of Marketing Lancashire – Rachel McQueen – was in attendance and was introduced to the Board.

Resolved: The Lancashire Enterprise Partnership Board noted the activity undertaken and endorsed the forthcoming PR Opportunities as presented.

9. SEP Refresh

Martin Kelly, Director of Economic Development and Planning, Lancashire County Council, gave an oral update on the Strategic Economic Plan (SEP) refresh.

It was reported that Lancashire Leaders has arranged to meet on 24th July to discuss co-production of the Plan with a view to reviewing priorities. Work will continue with Lancashire Leaders to shape the SEP with a further update on progress provided at the next LEP Board meeting.

Resolved: The Lancashire Enterprise Partnership Board noted the Strategic Economic Plan update and endorsed the co-production of the plan with Lancashire Leaders.

10. Lancashire Leaders - Lancashire Combined Authority Developments Update

Angie Ridgwell, Chief Executive and Director of Resources, Lancashire County Council presented a report (circulated) which provided an update on Lancashire Combined Authority Developments.

It was noted that Lancashire Leaders had written to the Secretary of State in April 2018 updating on progress and seeking clarification on a number of matters.

Lancashire Leaders wish to create a model that work for all in Lancashire and enter into discussions with ministers on areas of commonality.

Resolved: The Lancashire Enterprise Partnership noted the report and agreed to continue to support Lancashire Leaders as appropriate with regard to Lancashire Combined Authority developments.

11. Any Other Business

Kathryn Molloy provided an update on Cultural Funding and how Lancashire should be positioned, it was noted that work will be undertaken with Marketing Lancashire to take this forward with further updates provided to the LEP Board in due course.

Edwin Booth provided an update on a recent Council of LEP Chairs meeting with the Prime Minister.

12. Date of Next Meeting and Proposed Programme of Meetings for 2019

It was noted that the next LEP Board meeting was scheduled to take place on Tuesday 6th November 2018, 4:30pm at County Hall, Preston.

In addition, the Board approved the programme of meetings for 2019 as follows:

Tuesday 22nd January 2019 – 4.30pm
Tuesday 30th April 2019 – 4.30pm
Tuesday 25th June 2019 – 4.30pm
Tuesday 12th November 2019 – 4.30pm

All meetings to be held at County Hall, Preston.

Part II (Private and Confidential)

At this point the LEP Board approved that the meeting move into Part II, Private and Confidential, to consider the remaining report as it contained information defined as confidential or exempt in accordance with the relevant paragraph of Part I to schedule 12A to the Local Government Act 1972 as set out in the report. 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.

13. Establishment of an Urban Development Fund for Lancashire - Update Report

Kathryn Molloy and Jonathan Dixon, Blue Sky, presented a report (circulated) and gave a presentation regarding the Establishment of an Urban Development Fund for Lancashire.

Resolved: Following consideration of the report and presentation, in Part II (Private and Confidential) the LEP Board:

- (i) Considered and comment on the contents of this report, including the proposed principles of the Urban Development Fund.
- (ii) Approved Option 2 as the preferred option for delivery of an Urban

Development Fund in Lancashire based on the findings of the financial model prepared by Blue Sky and presented to the Board at this meeting.

- (iii) Considered and approved the proposal to allocate a proportion of the LEP's Growing Places Investment Fund capital to support the management of the Urban Development Fund whilst capital and interest is repaid.
- (iv) Delegated authority to the LEP's Executive Committee to undertake further work to establish an Urban Development Fund, and, agreed to appoint LEP Director Mark Rawstron to support Lancashire County Council and LEP officers in discussions with the county council as proposed applicant and Entrusted Entity, including the submission of an application form to MHCLG following discussions with the county council, subject to a positive outcome of the meeting of the county council's Cabinet on 9 August 2018; and
- (v) Agreed to receive future updates on the progress made in establishing an Urban Development Fund for Lancashire.

Jonathan Dixon left the meeting at this point.

14. Lancashire Enterprise Partnership Financial Outturn Position 2017-18 and Draft Operational Budget 2018-19

Kathryn Molloy presented a report (circulated) regarding the Lancashire Enterprise Partnership Financial Outturn Position for 2017/18 and Draft Operational Budget for 2018/19.

Resolved: Following consideration of the report, in Part II (Private and Confidential) the LEP Board:

- (i) Noted the contents of the report including the outturn position of the 2017/18 Operational Budget.
- (ii) Considered and approved the final draft LEP Operational Budget for 2018/19; and
- (iii) Noted the balance statement for the LEP's Growing Places Investment Fund.

Lancashire Enterprise Partnership Limited Board

Minutes of the Special Meeting held on Wednesday, 12th September, 2018 at 4.30 pm at the Committee Room 'D' (The Henry Bolingbroke Room) - County Hall, Preston

Present

Edwin Booth (Chairman)

Jim Carter	Mark Rawstron
Graham Cowley	Councillor Phil Riley
County Councillor Geoff Driver CBE	Khalid Saifullah
Councillor Ken Hind	David Taylor
Dave Holmes	Councillor Mark Townsend
Dennis Mendoros	

In Attendance

Paul Evans, Assistant Director, Area Lead, Department for Business, Energy and Industrial Strategy
Andrew Good, Head of Service Financial Management, Lancashire County Council
County Councillor Michael Green, Cabinet Member, Lancashire County Council
Martin Kelly, Director of Economic Development and Planning, Lancashire County Council
Anthony Lockley, Director of Strategy and Assistant Chief Executive, Blackpool Council
Andy Milroy, Senior Democratic Services Officer, Lancashire County Council
Katherine O'Connor, Senior Ministerial and Policy Manager, Department for Business, Energy and Industrial Strategy
Angie Ridgwell, Chief Executive and Director of Resources, Lancashire County Council
Alison Schmid, Service Lead - Strategy and Funding, Blackburn with Darwen Borough Council
Councillor Ivan Taylor, Cabinet Member, Blackpool Council
Stephen Young, Executive Director, Lancashire County Council

1. Welcome and Apologies for Absence

The Chair, Edwin Booth welcomed all to the Special Board meeting. Apologies for absence were presented from Councillor Simon Blackburn, Professor Mark Smith, Ann Dean, Liam Finnigan, Mike Blackburn and Claire Whelan.

Apologies were also presented from the Company Secretary, Laura Sales with Andy Milroy attending as Deputy Company Secretary.

2. Declaration of Interests

None

3. Strengthened Local Enterprise Partnerships – Government Local Enterprise Partnership Review

Martin Kelly, Director of Economic Development and Planning, Lancashire County Council, presented a report (circulated) regarding Government publication of its Local Enterprise Partnership Review – Strengthened Local Enterprise Partnerships.

It was noted that the Review identified a range of issues which all Local Enterprise Partnerships need to consider and address with a view to establishing the response of the Board.

Martin highlighted the main points contained within the Review including the need for Local Enterprise Partnerships to comply with new requirements relating to Board makeup (diversity and gender), developing independence from Local Authorities, re-defining the strategic purpose and focus and new governance requirements.

In addition to the report presented, the Chair, Edwin Booth, circulated a paper containing his proposals to the Board for transitional arrangements in response to the Governments Review.

It was noted that the Chair had indicated he was to resign with effect from end December and a new Chair would take over from January 2019 onwards. It was noted that the Deputy-Chair, David Taylor, had offered to take over on an interim basis should it be necessary whilst arrangements be confirmed for a new permanent Chair.

In addition, the Chair asked for all existing Directors to consider their roles and if any Directors intend to step down over the next 6-12 months to let him know as this will need to be factored in to ensure the Lancashire Enterprise Partnership complies with new Government requirements regarding diversity and gender, in particular the requirement for at least one third of Directors to be female by 2020, moving towards half by 2023.

In response to Directors questions regarding the requirement of the Lancashire Enterprise Partnership to become independent of local authority support, the Leader of Lancashire County Council confirmed the county council's ongoing support for the Lancashire Enterprise Partnership.

Given the need to respond to Government urgently with a plan to move forward on the new Government requirements, the Chair proposed that the Board sanction the creation of a transition working group with Lancashire Enterprise Director Graham Cowley contracted (days per week and time span to be confirmed by the Company Member in accordance with the Articles of Association) to scope-out all the areas of activity to include – compliance, governance, capacity, commitments, business model and income generation, independence from local authorities and relevant learning and good practice from other Local Enterprise Partnership areas.

It was proposed and agreed that the work of the transition working group led by

Graham Cowley receive a peer review of key decisions when options need to be considered.

In addition it was proposed and agreed that the role undertaken by Graham Cowley be remunerated accordingly.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Noted and commented on the key findings of the Government's Local Enterprise Partnership Review, as presented.
- (ii) Discussed the key issues for the Lancashire Enterprise Partnership, as set out in section 2 and Appendix 'B' of the circulated report and the need for the Chair and the Board to lead the transitional process.
- (iii) Agreed that Graham Cowley be contracted and remunerated, with support from Lancashire Enterprise Partnership Officers, to scope a transition work programme in response to the Government Review, on terms and conditions to be confirmed by the Company Member, Lancashire County Council, in accordance with the company Articles of Association; and
- (iv) Authorised the Lancashire Enterprise Partnership Chair, with support from Lancashire Enterprise Partnership Officers, to confirm to Government that the Lancashire Enterprise Partnership wishes to continue operating with its current pan-Lancashire geography.

4. Any Other Business

The Chair, Edwin Booth, provided an update on a recent first meeting of the Northern Powerhouse 11 (NP11) which is a meeting of the Chairs from each of the 11 Local Enterprise Partnerships in the North of England.

It was noted that Roger Marsh, Leeds City Region Enterprise Partnership Chair, will chair the new body setup to support the Government's ambitions for the Northern Powerhouse across the region with Christine Gaskell, Chair of the Cheshire and Warrington Local Enterprise Partnership, taking the role of Vice-Chair of NP11.

The topics discussed by NP11 at their first meeting included Policies, Growth Hubs, Supply Chains, Energy and Innovation

It was noted that the next NP11 meeting was scheduled to be held in November 2018 in Manchester.

Resolved: That the update regarding the newly formed NP11 and its first meeting be noted.

5. Date of Next Meeting

It was noted that the next regular Lancashire Enterprise Partnership Board meeting is scheduled to be held on Tuesday 6th November 2018 at 4:30pm in Committee Room 'D' – The Henry Bolingbroke Room, County Hall, Preston.



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: Tuesday, 6 November 2018

LEP Governance and Committees Decisions Report

(Appendices 'A' and 'B' refer)

**Report Author: Andy Milroy, Tel: 01772 530354, Senior Democratic Services Officer
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Executive Summary

This report extracts the key items considered by each of the Lancashire Enterprise Partnership Board 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 its Committees for approval.

In addition to a decision summary from each Lancashire Enterprise Partnership Committee, the Board is asked to approve a new Business Support Management Board Committee Member and approve the statutory dormant annual accounts for the period ending September 2018 for filing.

Recommendation

The Lancashire Enterprise Partnership Board is asked to:

- (i) Note the updates provided in this report in relation to the Committees of the Lancashire Enterprise Partnership;
- (ii) Approve the appointment of Miranda Barker, Chief Executive Officer at the East Lancashire Chamber of Commerce as a Business Support Management Board Committee Member.
- (iii) Approve the accounts and financial statements for the period ending September 2018 as set out at Appendices 'A' and 'B'; and
- (iv) Approve the revised Transport for Lancashire Committee Terms of Reference as set out at Appendix 'C'.

Background and Advice

The Lancashire Enterprise Partnership Board approved its first Assurance Framework on 17th March 2015, which was subsequently submitted to Government as final in April



2015. The Framework has since been refreshed annually in light of changes in operational requirements and national guidance. The latest Assurance Framework dates October 2018 is publically available on the Lancashire Enterprise Partnership website: <http://www.lancashirelep.co.uk/about-us/about-the-lep.aspx>

The Assurance Framework ensures that the Lancashire Enterprise Partnership records decisions taken by its Board and Committees in an open and transparent way, consistent with best practice and national guidance. The purpose is to ensure that governance and accountability arrangements enable effective and meaningful engagement of local partners and the public, and that those arrangements operate transparently with Lancashire Enterprise Partnership decisions capable of being independently scrutinised.

Since the implementation of the Lancashire Enterprise Partnership's Assurance Framework, the Board and its Committees publish their agendas and minutes on the Lancashire Enterprise Partnership website in accordance with the requirements of the Assurance Framework which includes publishing in accordance with the Local Government Act 1972.

This Governance and Committees Decisions report enables the Lancashire Enterprise Partnership Board and the public to track the key actions of the Committees while also presenting key Governance decisions requiring Board approval.

Governance Updates

Register of Interests – Directors, Committee Members and Officers

Following the Government's Deep Dive Review, one of the actions for the Lancashire Enterprise Partnership was to ensure that, in addition to Directors and Officers, any Committees (or Sub Groups) that provide advice, recommendations or make decisions should have a register of interests published for each Committee Member.

Therefore work is being undertaken to update the Register of Interests as a matter of urgency and specifically include all members of all Lancashire Enterprise Partnership Committees, including:

- The Executive Committee
- The Performance Committee
- The Transport for Lancashire Committee
- Growth Deal Management Board
- Business Support Management Board
- Lancashire Skills and Employment Board
- City Deal Executive
- City Deal Stewardship Board

In addition, existing Lancashire Enterprise Partnership Directors are reminded to continually monitor their own register, and ensure any changes are reported to the



Company Secretary as required. The Company Secretary shall continue to ask Directors to confirm their details are correct formally, on an annual basis.

Business Support Management Board – Appointment of New Committee Member

Directors will be aware that since the resignation of Mikes Damms as a Director in 2017 there has been a vacancy on the Business Support Management Board.

Given the increased role of East Lancashire Chamber of Commerce in both policy development and service delivery, and, the importance of retaining a business voice from East Lancashire, it is recommended that Mike Damms' successor as Chief Executive Officer at the East Lancashire Chamber of Commerce - Miranda Barker, be appointed to the Business Support Management Board.

This recommendation was endorsed by the Business Support Management Board at its meeting held on 19th October 2018. The Lancashire Enterprise Partnership Board is therefore asked to formally approve the appointment of Miranda Barker as a Business Support Management Board Committee Member.

Lancashire Enterprise Partnership – Approval of Dormant Accounts – Year Ending 30th September 2018 (Appendices 'A' and 'B' refer)

The Lancashire Enterprise Partnership 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 Lancashire Enterprise Partnership does not conduct financial transactions itself as Lancashire County Council carries out this function, on behalf of the Lancashire Enterprise Partnership, as the Accountable Body.

Therefore the Lancashire Enterprise Partnership'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 2018 in order that they can be filed in line with statutory requirements.

Amendment of Transport for Lancashire Committee Terms of Reference (Appendix 'C' refers)

The Board is asked to approve proposed updates as presented to the Transport for Lancashire Terms of Reference attached at Appendix 'C', in relation to the inclusion of scheme preparation and development costs, in order to provide consistency of approach across all three themes, where these costs are eligible for both 'Economic' and 'Skills' schemes. The change is highlighted in red within the "Accountability Framework – Transport" section for ease of reference.



Updates from recent LEP Committee Meetings and Urgent Decisions taken by the Executive Committee

1. Executive Committee – Urgent Decisions Taken

17th July 2018 – Department for Digital Media and Sport – Approval of Grant Offer – Digital Skills Coordinator

The Executive Committee, on behalf of the Lancashire Enterprise Partnership, approved acceptance of a grant offer of £75,000 from the Department for Digital Media and Sport to fund a Digital Skills Coordinator and associated costs to drive forward the Local Digital Skills Partnership in Lancashire.

6th September 2018 – Growing Places Loan Approval

The Executive Committee, on behalf of the Lancashire Enterprise Partnership, approved the provision of a Growing Places Loan facility to a Preston based private sector business subject to finalisation of the loan agreement and all related legal documentation.

20th September 2018 – Growth Deal – Additional Funding Allocation – Advanced Manufacturing Research Centre (AMRC)

The Executive Committee, on behalf of the Lancashire Enterprise Partnership, approved the allocation of an additional £2.800m to the Advanced Manufacturing Research Centre (AMRC) Growth Deal scheme, from the funds no longer required for the Shady Lane and North West Burnley Growth Corridor projects, taking the total allocation for the AMRC project to £20.000m which is sufficient to fully fund the preferred build option.

3rd October 2018 – Appointment of a new Skills and Employment Board Member

The Executive Committee, on behalf of the Lancashire Enterprise Partnership, approved the appointment of Gareth Lindsay, Managing Director of North Lancashire Training Group (NLTG) as the training representative on the Lancashire Skills and Employment Board, replacing the retiring Steve Gray.

23rd October 2018 – Approval of a submission to Department for Digital, Culture, Media and Sport – Digital Skills Innovation Fund

The Executive Committee, on behalf of the Lancashire Enterprise Partnership, approved, that the Director of the Lancashire Skills Hub be authorised to submit an application to Government on behalf of the Lancashire Enterprise Partnership, for the Digital Skills Innovation Fund, with four potential project identified, by the closing date for submissions of Sunday 28th October 2018.



2. Transport for Lancashire Committee

The Transport for Lancashire Committee has not met since the last Lancashire Enterprise Partnership Board meeting held on 26th June 2018.

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

3. City Deal Executive and Stewardship Board

16th August 2018 – City Deal Executive and Stewardship Board Meeting

The Combined City Deal Executive and Stewardship Board met on 16th August 2018 and considered / approved the following:

- **Re-Imagining the Harris Project** – The Executive / Stewardship Board considered and approved a report regarding the allocation of £1.000m from the Community Infrastructure Fund towards the Re-Imagining the Harris Project on the terms presented.
- **Homes England Quarterly Monitoring Progress Update – Q4 2017/18 and Q1 2018/19** – The Executive / Stewardship Board noted that 91% of Homes England residential City Deal sites had planning consent in place. Housing starts had been claimed for 1338 units on 42% of City Deal sites to date and there have been 418 housing completions in addition to noting overall progress.
- **2018-21 Homes England Business and Disposal Plan** – The Executive and Stewardship Board noted progress towards the successful delivery of the 11 Homes England City Deal sites and the level of current and future investment into the City Deal by Homes England as presented in the report and approved the updated Business and Disposal Plan 2018/21 as presented.
- **Independent Review of the Preston, South Ribble and Lancashire City Deal** – The Executive and Stewardship Board received a presentation on progress regarding the comprehensive review of the City Deal and noted that a final report on the findings of the independent review of the City Deal and Housing Sites be presented to the next meeting, that options for taking forward the report's recommendations be developed by the City Deal Review Group over autumn. It was also approved that from Spring 2019 that the City Deal Review Group implement any refreshed arrangements, providing greater certainty for current / future programmes with strengthened partnership working.

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 has met twice since the last meeting of the Lancashire Enterprise Partnership Board.

2nd July 2018 – Growth Deal Management Board

The Growth Deal Management Board met on 2nd July 2018 and considered / approved the following:

- **Governance Documents** – The Board approved a suite of refreshed governance documents as presented – Growth Deal Implementation Plan, Growth Deal Monitoring and Evaluation Sub Group Terms of Reference and Growth Deal Monitoring and Evaluation Framework.
- **AMuseum Appraisal Report** – The Board considered a report and approved:
 - Deferring of the funding recommendation to the October meeting.
 - That the Project Sponsor respond to the issues raised within both the appraisal report and the independent review summary; and
 - That the Growth Deal Programme Manager provide the additional conditions and requirements of the Committee to the Project Sponsor and requested that these conditions must be satisfied at the October Board meeting.
- **Programme and Project Update Report** – The Board considered a report and approved:
 - That officers continue discussions with Warwick Economics and Development in terms of the extension of the evaluation programme.
 - Noted updated conditions relating to the North West Burnley Growth Corridor.
 - That the Lancashire Enterprise Partnership Board be recommended to approve a further funding approval of £2.800m from Growth Deal funds to the Advanced Manufacturing Research Centre (AMRC) North West Project, subject to the requirements considered.
 - That the Shady Lane Project, reported as not now proceeding, would have its funding allocated to the AMRC project.
 - That the above decisions left £800,000 of unallocated funds within the programme.
 - That a Blackpool Conference Centre Marketing report be noted.
- **Growth Deal Finance Summary July 2018** – The Board considered a report and approved:
 - That the spend to date, together with spend to be made in future years be noted.
 - That the forecast of funding to be balanced to the funding available be noted.



- That consideration be given to the continued profiling of funding forecasts being as accurate as possible, with the Board managing existing projects in order to recoup any slippage and ensure new projects remain on track in line with their spend profile.
- **M55 St Annes Link Road – Business Case Updates** – The Board noted an oral update regarding the M55 St Annes Link Road scheme and agreed that a meeting should be held between the Director of Community Services at Lancashire County Council, the Growth Deal Programme Manager and Legal Officers in order to capture the combined activities required by all concerned parties.

3rd October 2018 – Growth Deal Management Board

The Growth Deal Management Board also met on 3rd October 2018 and considered / approved the following:

- **Lomeshaye Industrial Estate Extension – Business Case Appraisal** – The Board received a presentation from Eskogen in addition to a written report and agreed to recommend to the Lancashire Enterprise Partnership Limited Board at its next meeting, the grant funding approval of up to £4.000m for the Lomeshaye Industrial Estate Extension subject to the terms and conditions as presented.
- **Growth Deal Programme and Project Update Report** – The Board noted a written report and agreed that a further update should be obtained from the Project Applicant for the M55 to St Anne's Link Road scheme as a matter of urgency, with a further update provided to the next Board meeting. In addition the Board requested that the document presenting the Growth Deal Programme – Project Metrics data be altered for future meetings to enable to Board to track and monitor progress / slippage towards the achievement of core output targets.
- **Growth Deal Finance Summary** – The Board received a written report and noted the spend to date, together with spend to be made in future years. Noted the forecast of funding to be balanced to the funding available, and, considered the continued profiling of funding forecasts and requested that they are regularly reported to the Board to monitor and action.
- **Merger of Accrington and Rossendale College with Nelson and Colne College** – The Board agreed to consider this item of urgent business and received a written report and agreed to support the proposal to contribute £500,000 from the Lancashire Growth Deal Programme to the merger, subject to independent appraisal of the business case and formal approval by the Lancashire Enterprise Partnership Board.



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 Enterprise Zone Governance Committee met on 9th July 2018.

9th July 2018 – Enterprise Zone Governance Committee

The Enterprise Zone Governance Committee met on 9th July 2018 and considered / approved the following:

- **Blackpool Airport Enterprise Zone Progress Report** – The Committee considered a written report. It approved and endorsed for submission to the Ministry of Housing, Communities and Local Government the Blackpool Airport Enterprise Zone Delivery Implementation Plan and the Marketing Strategy. In addition the Committee also approved the modified Governance Structure for Blackpool Airport Enterprise Zone.
- **Hilhouse Technology Enterprise Zone Update Report** – The committee received and noted a written report updating on all aspects of this Zone, including Masterplan developments, Delivery and Implementation, Marketing Strategy, Marketing Activity, Governance and enquires received for the site.
- **Samlesbury Aerospace Enterprise Zone** – The committee received an oral update including latest site developments led by BAE Systems and an update on the Advanced Manufacturing Research Centre.
- **Warton Aviation Enterprise Zone** – The committee received an oral update including which companies had recently moved in on site.

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 Lancashire Skills and Employment Board met on 10th October 2018.

10th October 2018 – Lancashire Skills and Employment Board

The Lancashire Skills and Employment Board met on 10th October 2018 and considered / approved the following:



- **Update from the Lancashire Skills and Employment Hub** – The Board received a written report, noting the establishment of the T Levels 'Route Ready' project and the level of engagement of partners in the Route Ready Networks and Industry Placement workshop. In addition the Board noted proposed governance structures for Skills Advisory Panels and discussed capacity to take forward the proposed analytical toolkit.
- **Careers Hub** – The Board received a presentation updating on the establishment of the Lancashire Careers Hub. It was noted that the proposal to the Careers and Enterprise Company to secure a pilot Careers Hub in Lancashire, spanning Blackpool, Burnley and Pendle, was successful. It was also noted that the Careers Hub aims to build on the strong foundations of the Lancashire Enterprise Adviser Network. The Board also discussed further sustainability beyond the end of the current funding (August 2020).
- **Lancashire Employer Skills Forum** – The Board received a written report including a set of Terms of Reference for the Forum for review. It was noted that the Forum was set up to mirror the Adult Skills Forum, and as per the Lancashire Skills Escalator, will seek to simplify the European Social Fund offer to businesses and facilitate collaboration between projects. The Board noted the report and approved the Terms of Reference for the Lancashire Employer Skills Forum.
- **Innovation Strategy** – The Board received and noted a presentation on the Innovation Plan for Lancashire, including strategic aims and objectives.
- **European Social Funds – Education and Skills Funding Agency Opt-In** – The Board received a written report and approved the changes to the Capacity Building / Engagement Activity Plans, subject to maintaining the original amount of allocation funding to Mental Health and Complex Barriers Specialist Awareness. In addition the Board noted the allocations for the 2019-21 programme and extensions to the current projects.
- **Merger of Accrington and Rossendale College with Nelson and Colne College** – The Board was provided with an update on the proposed merger of these colleges and noted that the Growth Deal Management Board had, at its 3rd October 2018 meeting, agreed in principle to the allocation of a £500,000 from the Lancashire Growth Deal programme toward the merger, subject to independent appraisal of the business case and Lancashire Enterprise Partnership Board approval.

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

The Performance Committee has not met since the last Lancashire Enterprise Partnership Board meeting held on 26th June 2018.



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 met on 19th October 2018.

19th October 2018 – Business Support Management Board

The Business Support Management Board met on 19th October 2018 and considered / approved the following:

- **Business Support Management Board Membership** – The Board considered a written report and agreed to recommend to the Lancashire Enterprise Partnership Board that Miranda Barker, Chief Executive Officer, East Lancashire Chamber of Commerce be appointed as a Business Support Management Board Member.
- **Growth Hub Performance Update** – The Board considered and noted a written report on Growth Hub Performance including Quarter 3 2018 performance monitoring for the Boost 2 European Regional Development Fund project that is now drawing to a close. An update on the application for Boost 3 (2019-21) funding which was approved at the last Lancashire European Structural and Investment Fund Committee with partners being procured to commence delivery of the programme from 1st January 2019 onwards.
- **Northern Powerhouse Investment Fund – Update** – The Board received a written report on this £100.000m fund and noted that £60.000m had been directly invested in small and medium sized companies since its launched in deals that have attracted an additional £40.000m of investment from the private sector. In addition the Board noted the input and presentation from the British Business Bank and discussed the continued effective performance of the Fund working with local business stakeholders moving forward.
- **Productivity in Lancashire – Update** – The Board received a written report from the University of Central Lancashire on Productivity in Lancashire, work commissioned by the Lancashire Enterprise Partnership. The Board provided feedback on the presentation and noted the recommended findings and actions contained within the detailed report.
- **The Clean Growth / Low Carbon Business Offer in Lancashire** – The Board received and noted a written report regarding supporting the development of the Low Carbon or Clean Growth economy which contained details of how the East Lancashire Chamber of Commerce are acting to draw together the low carbon and carbon reduction offer to businesses, to ensure



these projects operate in a co-ordinated way, are well understood and easy to navigate for businesses.

- **The Use of European Structural Fund to Support Business Development in Lancashire** – The Board received and noted a written report which updated on projects covering Lancashire, committing £41.644m. It was noted that a total of 21 pipeline projects totalling £31.000m are at outline / full application stage which gives an overall total of £85.000m. Lancashire will have almost 58% of the programme committed if all the projects are contracted.

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

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

List of Background Papers

Paper	Date	Contact/Tel
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None		
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Reason for inclusion in Part II, if appropriate		
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N/A		
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Registered Number 07388600

LANCASHIRE ENTERPRISE PARTNERSHIP LIMITED**Dormant Accounts****30 September 2018****Balance Sheet as at 30 September 2018**

	2018	2017
	£	£
Net assets	0	0
Reserves	0	0

STATEMENTS

- For the year ending 30 September 2018 the company was entitled to exemption under section 480 of the Companies Act 2006 relating to dormant companies.
- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 6th November 2018

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 2018

Balance sheet as at: 30th September 2018

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 2017 to 30th September 2018 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 6th November 2018.

Laura Sales, Company Secretary

TRANSPORT FOR LANCASHIRE COMMITTEE
Governance Structure and Terms of Reference

Name

Transport for Lancashire

Geography

The geographical area covered by Transport for Lancashire will be coterminous with the boundaries of the three local transport authorities (Lancashire County Council, Blackpool Borough Council and Blackburn with Darwen Borough Council) and the LEP.

Membership

Transport for Lancashire will be a dedicated committee of the Lancashire Enterprise Partnership. Full (voting) members of Transport for Lancashire comprise:

- Lancashire County Council (Leader or nominee)
- Blackburn with Darwen Borough Council (Leader or nominee)
- Blackpool Borough Council (Leader or nominee)
- Chair and Vice Chair of the LEP (or nominees)*

LEP Directors Graham Cowley and Khalid Saifullah are the LEP Chair and Vice Chair nominees

Participating observers (non-voting):

- Department for Transport
- Highways England
- Network Rail

Given Lancashire County Council's status as the largest local transport authority, the Leader of Lancashire County Council (or their nominee) shall act as Chair of the Committee. The Chair will not have a casting vote.

Transport for Lancashire will review its membership periodically to reflect any changes in national or local policy circumstances and/or requirements, including allowing for expansion if necessary. Transport for Lancashire may invite the Leader (or nominee) of a District Council to attend relevant meetings as a participating observer where that authority is contributing funding to a transport scheme programmed for delivery through the Growth Deal.

Strategic Objectives and Purpose

Transport for Lancashire will:

- advise the LEP on individual scheme approvals and investment decision making in line with the approvals process set out in the LEP's accountability framework;
- scrutinise individual scheme business cases;
- ensure value for money is achieved;

- advise the LEP with regard to consultation on long-term rail planning and franchise specification and provide a co-ordinating role between constituent local authorities;
- advise the LEP with regard to consultation on long-term Strategic Road Network planning and provide a co-ordinating role between constituent local authorities; and
- advise the LEP with regard to the ongoing activities of Transport for the North and provide a co-ordinating role between constituent local authorities where appropriate.

As and when necessary, Transport for Lancashire will seek evidence from other organisations, including district councils within Lancashire, representatives of neighbouring local authorities, combined authorities and local enterprise partnerships, transport operators including airports and ports, the business and community sectors and NGOs.

Technical / Professional Support

On behalf of the Accountable Body for the Lancashire Enterprise Partnership, the Director of Community Services at Lancashire County Council will ensure that Transport for Lancashire receives the technical support and professional advice necessary for it to carry out its functions.

Secretary

The Company Secretary of the Lancashire Enterprise Partnership (or their nominee) shall serve as the Secretary ("The Secretary") to the Transport for Lancashire Committee.

The Secretary shall produce minutes of all meetings of the Transport for Lancashire Committee.

Meeting Frequency

The Transport for Lancashire Committee shall meet according to operational need.

Decisions in Writing

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

Working Arrangements and Meeting Frequency

Transport for Lancashire will meet, where possible, in advance of each Lancashire Enterprise Partnership Board meeting. Meetings will be cancelled if there are no substantive items for discussion.

All meetings will take place at County Hall in Preston. The quorum for meetings shall be at least 2 Local Authority Members (or their nominees) and at least one Private Sector member (or their nominee(s)).

Publication of Papers

The agendas and papers for the Transport for Lancashire Committee will be published on the LEP's website in accordance with the LEP's Assurance Framework.

THE LANCASHIRE ENTERPRISE PARTNERSHIP **ACCOUNTABILITY FRAMEWORK – TRANSPORT**

Scheme Eligibility

The LEP will only consider funding clearly defined schemes that are priorities in approved highways and transport masterplans. Such schemes could include packages of measures aimed at solving specific problems/issues that when combined support delivery of the Strategic Economic Plan, but subject to the funding only being available for capital expenditure. In all cases, funding will only contribute towards the capital cost of a scheme, including construction costs, land acquisition costs and Part 1 Claims under the Land and Compensation Act 1973. The inclusion of capital costs in relation to scheme development and preparation will be considered by Transport for Lancashire on a scheme by scheme basis to ensure Value For Money is achieved. The LEP will not fund scheme post scheme monitoring and evaluation.

The LEP will consider funding exceptional structural maintenance schemes including bridges, tunnels, retaining walls and culverts with a minimum cost threshold of £2m. Decisions will reflect the economic importance of the structure(s) and the adverse effects failure to maintain would have. Local highway authorities will need to provide supporting information including the importance of the route, existing or likelihood of imminent weight restrictions, existing or potential diversionary routes and details of the work that they will need to undertake if restrictions are not to be imposed. Local highway authorities will also need to demonstrate why a scheme is not deliverable from other funding sources.

The LEP will consider funding schemes on the networks of the Highways Agency and Network Rail, including in adjacent Local Enterprise Partnership areas, where such schemes contribute towards the delivery of the objectives of the Strategic Economic Plan and where funding is unlikely to be available through standard Highways Agency and Network Rail programmes. In such circumstances, the Lancashire Enterprise Partnership will hold early discussions with the Highways Agency and Network Rail, and where appropriate, adjacent LEPs, to enable their views to be taken into account. Where any rail schemes affect train services, the LEP will also consult the relevant Train Operating Company and DfT Rail.

Funding Contribution

For all schemes, the LEP will require scheme promoters to provide an absolute minimum 10% contribution towards total scheme cost and 100% of any increase in cost following the granting of Programme Entry. The 10% minimum funding contribution cannot be waived by the LEP. Local transport authorities will therefore need to explore all potential sources of funding, including district council, European, developer / private sector and third party, in line with Department for Transport expectations.

The scheme promoter's Section 151 officer must underwrite the promoter's ability to fund the contribution and any subsequent cost increases following the granting of Programme Entry. Scheme promoters must adhere to Department for Transport requirements as set out in the Department for Transport's web-based guidance on the conduct of transport studies, to ensure a consistent approach to variables such as construction inflation, the application of optimism bias and allowance for risk in the derivation of outturn costs.

Scheme Assessment and Appraisal

The LEP will apply a proportionate approach to the development of transport business cases in line with the Business Case Development Process Chart attached. For example, the transport business case for a £20m scheme will require significantly more detail than that for a £2m scheme. As a guide:

- For individual schemes requiring a Local Growth Fund contribution of greater than £5m and packages of small-scale measures requiring a Local Growth Fund Contribution of greater than £10m, the Lancashire Enterprise Partnership will require submission of Outline/Full Business Cases that demonstrate high value for money.
- For individual schemes requiring a Local Growth Fund contribution of less than £5m, a Strategic Outline Business Case will suffice, although a scheme will still need to demonstrate high value for money.
- For packages of small-scale measures requiring a Local Growth Fund contribution of up to £10m where no individual scheme has a capital cost greater than £5m, a Strategic Outline Business Case will suffice, although the package will still need to demonstrate high value for money.

For the avoidance of doubt, scheme promoters should seek advice from Transport for Lancashire at the earliest opportunity.

Scheme Approvals Process

For individual schemes requiring a Local Growth Fund contribution of greater than £5m and packages of small-scale measures requiring a Local Growth Fund Contribution of greater than £10m, the Lancashire Enterprise Partnership will adopt a three stage approvals process based on modified current practice. Schemes on the networks of either the Highways Agency or Network Rail may undergo a different approval process.

Stage 1: Programme Entry

Programme Entry indicates the LEP's intention to provide funding to a scheme or package following acceptance of a Strategic Outline Business Case and its inclusion in the Strategic Economic Plan. Programme Entry is not an absolute commitment, but intended to provide sufficient assurance for the promoting authority to embark on Outline Business Case development.

Stage 2: Conditional Approval

Conditional Approval indicates the LEP's acceptance of an Outline Business Case demonstrating high value for money. It is intended to provide the expectation of funding necessary for the promoting authority to apply for any statutory powers that may be required such as Transport and Works Act powers, highways orders, planning consents, compulsory purchase orders etc.

The LEP will only grant Conditional Approval on the basis that there will be no material changes to the scheme's scope, cost, design, expected benefits and value for money. The granting of Conditional Approval may be subject to a small and limited number of conditions.

Stage 3: Full Approval

Full Approval indicates the LEP's acceptance of a Full Transport Business Case and approval to proceed to implementation. It occurs when all necessary statutory powers are in place and any necessary conditions specified at Conditional Approval have been satisfied. Scheme promoters can only apply for Full Approval once procurement has taken place and a preferred bidder with firm and final prices selected. Once granted, Full Approval enables the scheme promoter to commence construction and draw down grant funds.

For individual schemes requiring a Local Growth Fund contribution of less than £5m or packages of small-scale measures requiring a Local Growth Fund contribution of up to £10m where no individual scheme has a capital cost greater than £5m, acceptance of a Strategic Outline Business Case indicates the Lancashire Enterprise Partnership's approval to proceed to implementation. This enables the scheme promoter to commence works and draw down grant funds.

The Transport Business Case

The LEP requires all transport business cases to adhere to the key principles of the Department for Transport's Transport Business Case guidance (January 2013) and be fully compliant with the approach to modelling appraisal and analysis at the time they submit the transport business case. This will ensure that scheme assessment follows current best practice.

Each transport business case will need to include a clear statement of scheme objectives and the specific outcomes it is intended to deliver. Scheme promoters must base central case assessments on forecasts that are consistent with the latest version of the National Trip End Model (NTEM), the Department for Transport's planning dataset. As a minimum, Transport for Lancashire will expect to consider central case assessments as part of its scrutiny of transport business cases.

Outline Business Cases submitted for Conditional Approval must include a statement confirming that Department for Transport's Transport Business Guidance has been followed. An Appraisal Summary Table (AST) will need to accompany submissions and demonstrate that the scheme offers high value for money. Scheme promoters must ensure that the Senior Responsible Owner signs off each AST as true and accurate.

Transport for Lancashire will scrutinise individual scheme business cases on behalf of the Lancashire Enterprise Partnership and advise accordingly. In order to secure the required expertise for transport business case scrutiny without Transport for Lancashire having to develop this capability and capacity in-house at considerable cost, Transport for Lancashire will utilise independent specialist consultants. For schemes where Lancashire County Council is not the scheme promoter, Transport for Lancashire will utilise Lancashire County Council's framework consultants to undertake transport business case scrutiny. For schemes promoted by Lancashire County Council, Transport for Lancashire will procure independent advice. This will ensure complete separation between scheme promoters and their own framework consultants and the appraisal team and decision makers.

To guarantee quality assurance, consultants appointed to undertake transport business case scrutiny will need to demonstrate significant previous experience in this field, for example, the successful preparation of major scheme business cases, and be fully conversant with Department for Transport appraisal and assessment processes. As Accountable Body for the Lancashire Enterprise Partnership, Lancashire County Council will ensure that officers with appropriate technical experience of this type of work oversee the selection process.

Where necessary, consultants appointed to review individual transport business cases and supporting analyses will be able to request the scheme promoter to provide further analysis and information to enable full and proper consideration of the scheme and to ensure that the appraisal and supporting data and assumptions are sufficiently robust and fit for purpose. Consultants will provide Transport for Lancashire with a formal report on each submitted transport business case specifying the outcome of their assessment against the five case model set out in the Department for Transport's Transport Business Case guidance.

Value for Money

The LEP will only approve schemes demonstrating high value for money, with a benefit to cost ratio (BCR) of greater than 2. Only in exceptional cases will the Lancashire Enterprise Partnership consider schemes with a BCR of less than 2. In such circumstances, the scheme promoter will need to demonstrate significant additional monetised or non-monetised benefits that are important in

relation to stated strategic objectives, for example, schemes necessary to facilitate significant land development for employment or housing, and guarantee a minimum 30% contribution.

Transport for Lancashire will provide the LEP with a Value for Money assessment in line with published Department for Transport guidance at each approval stage. As part of the independent scrutiny of a scheme's transport business case, Transport for Lancashire will require the consultant responsible to confirm that the Value for Money assessment aligns with the Department for Transport's Advice Note for Local Transport Decision Makers published in December 2013. The County Council's Director of Finance signs off all Value for Money assessments as true and accurate. The Director of Finance is not involved with scheme development and promotion at Lancashire County Council, thus avoiding any potential conflict of interest with regard to schemes promoted by the County Council.

A scheme must satisfy the LEP's value for money requirements at both Conditional and Full Approval stages. Where a scheme fails to deliver a minimum benefit to cost ratio of greater than 2, the Lancashire Enterprise Partnership will seek independent professional advice on the magnitude of the stated additional benefits prior to determining whether these benefits are sufficient to offset this requirement.

Programme and Risk Management

In order to secure effective management of the LEP's transport investment programme, Transport for Lancashire will set up a transparent process for monitoring progress on scheme delivery and spend and for informing responses to changed circumstances including scheme slippage and changes to scheme scope and/or costs.

Where there are issues of cost increases and/or delays to delivery, the Lancashire Enterprise Partnership will consider the following when deciding whether to continue to support a scheme:

- whether the cost increases and/or delays to delivery were unforeseen and unavoidable;
- whether the scheme promoter is willing and/or able to fund any cost increase;
- whether additional funding has been sought from other sources;
- whether the scale of the scheme can be reduced to fit the available budget;
- the impact of any cost increase on a scheme's value for money as reflected by its benefit to cost ratio; and
- whether any delay in scheme delivery can be accommodated within the programme.

The LEP ultimately reserves the right to withdraw its support for a scheme.

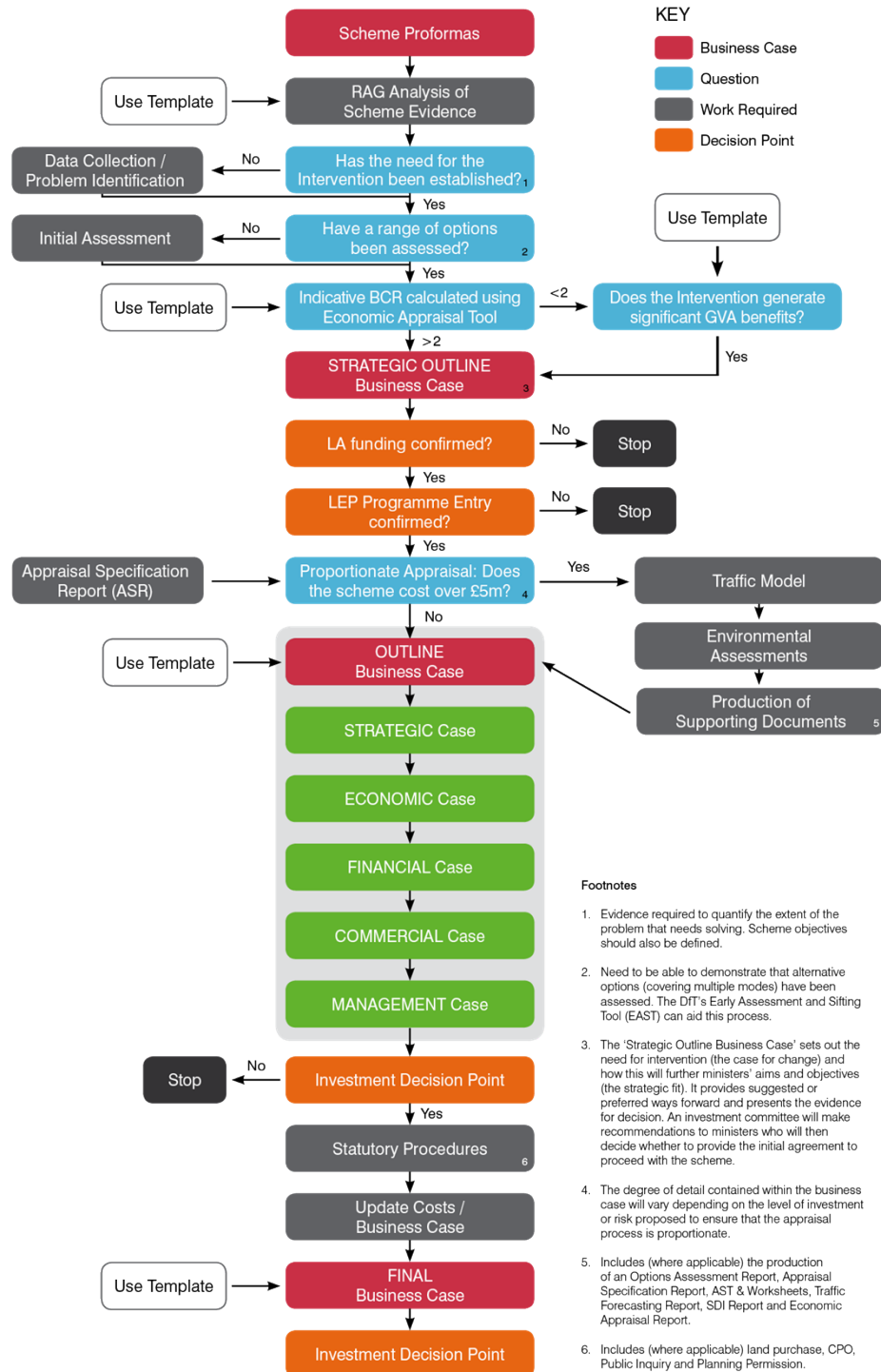
The LEP will require scheme promoters to submit a quarterly monitoring report (QMR) to Transport for Lancashire setting out progress on scheme preparation and/or delivery. This will include a requirement for a quantified risk assessment. Transport for Lancashire will receive quarterly update reports outlining progress with delivery of the transport investment programme. It will collate the QMR information from scheme promoters, indicate progress against key milestones / deliverables and highlight any risks. A RAG (red/amber/green) rating will identify those schemes that are at risk of not meeting their programme objectives and that need urgent attention.

Monitoring and Evaluation

The LEP will put in place a mechanism to ensure that it monitors and evaluates schemes in accordance with the appropriate Department for Transport guidance, and will publish the results on its website.

Business Case Development Process Chart

The process chart should be cross referenced against TfL's Assurance Framework in order to determine the status of each scheme.





Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: Tuesday, 6 November 2018

Lancashire Enterprise Partnership Operational Budget 2018/19 - Update Report
Appendices 'A' and 'B' refer (Appendix 'B' is attached separately to the agenda as it contains Part II Private and Confidential information)

**Report Author: Sue Roberts, Tel: 01772 536605,
sue.roberts@lancashire.gov.uk**

Executive Summary

The report presents to the Lancashire Enterprise Partnership Board an update on its Operational Budget 2018/19 which is attached at Appendix 'A'.

The report also presents an update on the Lancashire Enterprise Partnership's Growing Places Investment Fund which is attached at Appendix 'B' (Exempt).

Recommendation

The Lancashire Enterprise Partnership Board is asked to:

- (i) Consider and approve the Lancashire Enterprise Partnership's Operational Budget for 2018/19.
- (ii) Approve a maximum of £200,000 transferred from the Lancashire Enterprise Partnership's reserves to be made available for transitional activity until receipt of funds from Government.
- (iii) Note the request for additional funding for Project Eric; and
- (iv) Note the balance statement for the Lancashire Enterprise Partnership's Growing Places Investment Fund.

Background and Advice

The report presents an update on the Lancashire Enterprise Partnership's Operational Budget for 2018/19 and provides a balance statement for the Lancashire Enterprise Partnership's Growing Places Investment Fund.

Operational Budget 2018/19 Update

At its meeting in June 2018, the 2018/19 Operational Budget was approved by the Board. Subsequently a small number of additional items of activity and related expenditure have been included as well as some areas of expenditure having been reduced. The updated Operational Budget for 2018/19 is attached at Appendix 'A'.

Income

All budgeted income from the Ministry for Housing, Communities Local Government and Lancashire County Council has been received in full.

Growing Places Investment Fund interest is discussed later on in this report.

Key areas of reduced expenditure are:

- The budget proposed for Business Growth and Innovation Activity has been reduced from £125,000 to £50,000. This reflects the stage of development of the Strategic Economic Plan refresh and the development of a Local Industrial Strategy which are due to be completed in Quarter 4 2018/19. Spend in this area is being incurred on the implementation of Lancashire's Innovation Plan, specifically on stakeholder engagement, professional events and promotional activity and the development of an Incubator Pilot.
- The Investing in Growth and Key Sector Support budget has been reduced from £100,000 to £65,500. This reflects the stage of development of Lancashire's inward investment propositions and includes the Invest in Lancashire website.
- The Enterprise Zone Branding, Marketing and Communications budget has been reduced by £23,000 to reflect the cost efficiency in delivering Phase 1 of the Lancashire Advanced Manufacturing and Energy Cluster websites and allowing for reduced costs to be included for Phase 2 development of the Lancashire Advanced Manufacturing and Energy Cluster websites.
- The proposed additional posts for Digital and Marketing activity has been delivered with reduced costs producing a saving of £6,380.
- This represents a decrease in overall expenditure of £138,880.

Key areas of additional expenditure are:

- The refresh of the Strategic Economic Plan was budgeted to spend £50,000 and included the development of Lancashire's Local Industrial Strategy and its consultation. This budget has now been split into two, with £30,000 now allocated for the refresh of the Strategic Economic Plan and the development of the Local Industrial Strategy and an increased budget of £30,000 included for consultation. This is an overall increase in the budget of £10,000.
- The General Marketing Budget, which has been increased by £78,400, includes annual costs for the Lancashire Enterprise Partnership's retained communications and marketing service, defrayed expenditure for costs to exhibit at MIPIM Cannes in 2017/18 and also proposes additional budget to



support MIPIM Cannes / MIPIM UK costs for 2018/19 which is subject to a report elsewhere on the agenda.

- This represents an increase in overall expenditure of £88,400.
- The Board is advised that there is a request for the Lancashire Enterprise Partnership to consider providing an additional £250,000 to support Project Eric in the next stage of work required to progress the project to RIBA Stage 4. The county council, Lancaster University and Lancaster City Council have each been asked to contribute £250,000 towards the £1,000,000 commission. A further update on this item will be brought to the Board for consideration at its December meeting.

Update on Expenditure:

- Staffing costs will be allocated at the end of the financial year but there will be an under-spend in the budget due to the additional posts commencing on the 1st September and not on the 1st April. The costs will be rolled over into future years.
- The refresh of the Strategic Economic Plan and the development of Lancashire's Local Industrial Strategy is currently underway and it is expected that public engagement will commence in Quarter 4 and as a result the budget is anticipated to be fully spent by the year end.
- Preston Railway Study has been commissioned and is due for completion before the end of Quarter 3.
- Preston Railway Commercial Masterplan Development work will start once the Preston Railway Study has been completed as outcomes from the study will inform this work. This will be reviewed in Quarter 4 to determine if the budget will be committed in the financial year committed or is to be carried forward.
- Growing Places Investment Fund Evaluation will begin in Quarter 3.
- Investment co-ordination activity will commence shortly with a commission for an Inward Investment Strategy to help improve Lancashire's attraction rates. This is to support the work already done on the Invest in Lancashire website and Inward Investment proposition work.
- M65 Growth Corridor Study is due to commence in Quarter 4.
- External support for the Enterprise Zone Masterplan delivery and legal support will be spent by the end of the year, with activity having already commissioned.

The last budget presented to the Board in June 2018 had an overall forecast expenditure of £1,746,787 for the year, however due to formulaic issues a figure of £75,000 shown in the budget was not included in the final figure so the overall expenditure should have been reported as £1,821,787. If the proposed adjustments detailed in this report are approved, the new budget is forecast to spend £1,771,307. This is an overall reduction in expenditure of £50,480.

Transition Funding

The Government has invited Local Enterprise Partnership's to bid for a maximum £200,000 of Transition Funding to support them in implementing the recommendations



identified within the national review, 'Strengthening Local Enterprise Partnerships'. The funding is to be spent by March 2019.

The Lancashire Enterprise Partnership has submitted its bid for a maximum of £200,000 Transition Funding. This is included elsewhere on the agenda.

The Board is requested to approve that up to a maximum of £200,000 is made available from within the Lancashire Enterprise Partnership's reserves to use on transition activity until confirmation and receipt of funding from Government. Should this funding be forthcoming, any expenditure already made will be transferred back to reserves from this £200,000.

To enable the transition of the Lancashire Enterprise Partnership, the next operational budget update presented to the December Board meeting will review the current budget to identify core priorities for investment in the remaining financial year and in subsequent year. This will also include a more detailed budget for the Growing Places Investment Fund, including project income by year over future years.

Growing Places Investment Fund

There are currently four live schemes totalling £6,388,372. There is outstanding capital on one scheme totalling £1,214,311 and a sixth scheme has Heads of Terms agreed by the Board with work underway to finalise loan and security documentation, including legal and financial due diligence, which will be presented to the Board for final approval.

There are two schemes in the pipeline totalling, £2,000,000 and a proposed amount of £750,000 which may be required to support the delivery of a Lancashire Urban Development Fund.

This would leave £1,115,781 available to invest.

The interest received from invested funds to date is £729,154 and there is interest due on the outstanding loans of £1,576,820.

Details of the loans are attached at Appendix 'B' (Exempt)

List of Background Papers

Paper	Date	Contact/Tel
N/A		



Reason for inclusion in Part II, if appropriate

Appendix 'B' to this report contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. The appendix contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Appendix A
Lancashire Enterprise Partnership

Forecast Profit and Loss Accounts - 2018-19

	2018-19		2018-19		2018-19		2019-20	
	Budget		Actuals at end September		Variance		Budget	
Income								
DCLG income - strategic	250,000		250,000		-		250,000	
DCLG income - core	250,000		250,000		-		250,000	
LCC match to realease core funduing	250,000		250,000		-		250,000	
Total Income	750,000		750,000		-		750,000	
Expenditure								
Staffing								
LEP contribution to LCC LEP staff	122,176		12,788		-	109,387	124,619	
Additional posts - investment support	118,791				-	118,791	99,040	
LEP contribution to Skills Hub staff	79,841	320,807	22,546	35,334	-	57,294	81,437	305,096
Core Running Costs								
Running costs estimate	25,000	25,000	21,322	21,322	-	3,678	25,000	25,000
Studies and appraisals								
SEP refresh and Local Industrial Strategy	30,000				-	30,000		
SEP consultation	30,000				-	30,000		
Business case appraisals Growth Deal	50,000		19,395		-	30,606		
Business Growth and Innovation activity	50,000				-	50,000		
Preston Railway Station Study	50,000				-	50,000		
Preston Railway Commercial Masterplan Development	150,000				-	150,000		
City of Culture	100,000		8,177		-	91,823		
Urban Development Fund	35,000		21,063		-	13,937		
Growing Places Investment Fund Evaluataion	20,000				-	20,000		
Investment coordination	40,000				-	40,000		
Investing in growth and key sector support	65,500				-	65,500		
M65 Growth Corridor Study	30,000				-	30,000		
Project Eric	150,000		150,000		-	-		
Cultural study	40,000		19,350		-	20,650		
External Support - EZ Masterplan and delivery and legal support	200,000				-	200,000		
		1,040,500		217,985		- 822,516		-
Marketing & communications								
General marketing activity est	155,000		42,065		-	112,935	-	
Proposed additional posts digital & marketing activity	60,000		60,000		-	-	67,707	
EZ branding marketing comms etc	52,000	267,000	45,000	147,065	-	7,000		67,707
Professional Fees								
Dedicated Legal Support	75,000		31,797		-	43,203		
Contribution to LCC Democratic Services	43,000	118,000		31,797	-	43,000	43,000	43,000
Total Expenditure	1,771,307		453,503		-	1,317,804		440,803
Net P&L	- 1,021,307		296,497			1,317,804		309,197
Reserves								
LEP account balance brought forward	2,392,805		2,392,805				1,371,498	
Growing Places interest balance brought forward							-	
	2,392,805		2,392,805				1,371,498	
Balance of P&L above	- 1,021,307		296,497				309,197	
Total LEP funding available	1,371,498		2,689,302					1,680,694



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: Tuesday, 6 November 2018

LEP Transition Update - Response to Local Enterprise Partnership Review
(Appendices 'A', 'B' and 'C' refer)

Report Author: Graham Cowley; grahamcowley15@gmail.com

Executive Summary

This report summarises the plan to comply with the Local Enterprise Partnership Review and seeks approvals to progress necessary actions in collaboration with key partners.

In addition, specific approval is sought for the process to recruit a new Lancashire Enterprise Partnership Board Chair and the process to be followed in accordance with the Review, together with the fixed term requirements for the roles of Chair and Deputy Chair.

Recommendation

The Lancashire Enterprise Partnership Board is asked to:

- (i) Note the Transition Summary at Appendix 'A' and approve the next steps required to comply with the Local Enterprise Partnership Review, noting that some steps will require actions outside of the Board's control.
- (ii) Approve the consultation drafts of the Chair Job Description and Person Specification (Appendix 'C') and process for recruitment reviewed and amended in accordance with the LEP Workshop on 30th October 2018.
- (iii) Authorise the Interim Transition Director to lead the Chair recruitment consultation in accordance with the process, and report findings, with appropriate recommendations to the LEP Board in December 2018.
- (iv) Delegate authority to the Interim Transition Director and Head of Lancashire Enterprise Partnership Co-ordination, in consultation with the Chair, and in consultation with the Company Secretary, to commission professional support as defined in Appendix 'B', as necessary up to the value approved by Government, in accordance with the transition programme.



- (v) Approve the use of Lancashire Enterprise Partnership funds in the short term to secure the necessary professional support pending reimbursement via the Government Additional Funding approval expected by Christmas 2018.
- (vi) Note that the draft Lancashire Enterprise Partnership Annual Report 2017/18 will be circulated for comment with a view to reporting the final version to Lancashire Enterprise Partnership Board on 12th December 2018.
- (vii) Authorise the Interim Transition Director, in consultation with the Company Secretary to conduct a review of the company's constitution, and when and where appropriate, take the necessary action to give effect to the recommendations of the review and proposals set out in this report; and
- (viii) Approve the implementation of due process in accordance with the human resources policies and procedures of the accountable body, to consider executive capacity in order to manage business as usual over the coming transition period and identify any posts to be created within the new Lancashire Enterprise Partnership operational structure, with a view to the new structure commencing in Spring 2019.

Background and Advice

1. Introduction

- 1.1. On 24th July 2018, Government published its long awaited Local Enterprise Partnership Review – Strengthened Local Enterprise Partnerships. The Review identifies a range of issues which all Local Enterprise Partnerships need to consider and address. The Review re-states the importance of Local Enterprise Partnerships and confirms that they will be central to the delivery of prosperous communities in England, moving forward. Local Enterprise Partnerships will continue to drive local growth by leading the development of Local Industrial Strategies and securing funding from the emerging Shared Prosperity Fund.
- 1.2. At the Special Board meeting on 12th September 2018, the Board considered the way forward on key issues, including the resourcing, mobilisation and definition of an agreed transitional work programme. Within the context of the wider Board task of repurposing the Lancashire Enterprise Partnership, the Board agreed that Lancashire Enterprise Partnership Officers, supplemented with support from the Interim Transition Director, scope a transition work programme in response to the Government's Review, in consultation with the Chair.
- 1.3. This report summarises the Transition Implementation Plan and Additional Funding Form submitted to Government on 31st October 2018 following



consideration at the Lancashire Enterprise Partnership Directors workshop held on 30th October 2018. Board approval is now sought for the Interim Transition Director to progress the transition work and commission associated professional support in accordance with that programme, in consultation with the Company Secretary.

2. Key Issues

- 2.1. Appendix 'A' to this report shows the Transition Summary document supported by Directors at the workshop session on 30th October 2018. The summary addresses all the key review recommendations and highlights the need for investment in professional support to effect the necessary changes, noting that some will require actions outside of the Board's control.
- 2.2. On 31st October 2018, the Lancashire Local Enterprise Partnership Implementation Plan, which contained a more detailed version of the Transition Summary document, was submitted to Government in accordance with requirements. A bid for £200,000 of related transition funding, shown in Appendix 'B' as the Additional Funding Form, was submitted in tandem in accordance with Government instructions.
- 2.3. Directors will note from the Additional Funding Form that in order to effect changes required by the Government review, support will be required imminently in the following areas:
 - Recruitment consultants
 - Independent legal advice
 - Independent finance advice
 - Systems and IT advice
 - Coaching for Directors and Executives
 - Marketing and communications
- 2.4. The Lancashire Enterprise Partnership Implementation Plan and associated Additional Funding Form benefited before submission from external challenge from regional Department for Business, Energy and Industrial Strategy colleagues and from the national Local Enterprise Partnership Network, so we are hopeful of a positive Government response, but unsure of the approval timescales. Bearing in mind many of the deadlines set by Government for completion of Lancashire Enterprise Partnership Transition are imminent, it is reasonable to assume we shall receive funding approval before Christmas 2018. Nevertheless, we need to build on our recent progress to meet deadlines and to do so will necessitate incurring or committing expenditure before receiving Government funding approvals.
- 2.5. In order to meet deadlines, it is proposed to commit available Lancashire Enterprise Partnership funds to a maximum of £200,000 in accordance with the Additional Funding Form considered at this meeting, pending reimbursement via the Additional Funding approvals anticipated before Christmas 2018. Officers will



work within approved Government budgets where possible, seeking further approvals in advance from the Lancashire Enterprise Partnership Board should additional investment be required to protect the interests of the Lancashire Enterprise Partnership.

- 2.6. Directors' attention is drawn to the requirement from Government to set fixed maximum terms limits for the roles of Chair and Deputy Chair (all Local Enterprise Partnerships having been instructed to recruit a Deputy Chair where they do not already have one). Having taken soundings from Department for Business, Energy and Industrial Strategy officials and the Local Enterprise Partnership Network, it is the consensus view that a 3 year term with the opportunity to serve two terms maximum by mutual agreement are appropriate term limits. These limits are reflected in the consultation draft Job Description of the Chair and will come into effect as the new Chair is recruited. The Chair Job Description (Appendix 'C') and process for recruitment were discussed and amended, for consultation purposes, at the Lancashire Enterprise Partnership Workshop on 30th October 2018 with a view to commencing consultation immediately. Endorsement of that decision is sought from the Board. It is recommended in the Government Review that these limits and the transparent recruitment process also apply to the post of Deputy Chair. It will be a priority matter for the incoming Chair to define the timescales for this process.
- 2.7. It should also be noted that Local Enterprise Partnerships are given the authority to Co-Opt Board members for a period of one year where specialist skills and experience are required and this is an option the Lancashire Enterprise Partnership may need to utilise in future. It is recommended that the Lancashire Enterprise Partnership seek to secure agreement to the amendment of its Articles of Association by February 2019 to reflect the changes proposed in 2.6 and 2.7.
- 2.8. Directors should also note the requirement to produce an Annual Delivery Plan by April 2019, and further guidance is awaited from Government on the required content. Nevertheless, the new Plan is likely to be informed by our Annual Report 2017/18 which is programmed for approval by Lancashire Enterprise Partnership Board in December 2018. To this end a draft will be circulated for comment to Directors by mid-November so the final version is available by beginning of December for our "Annual Conversation" with Government on 10th December 2018 and the Lancashire Enterprise Partnership Board on 12th December 2018.
- 2.9. With reference to executive capacity in order to manage business as usual over the coming transition period, discussions will be held with Lancashire County Council as the Accountable Body and Company Member to establish future staffing requirements for the Lancashire Enterprise Partnership core officers team and the implications, with a view to the Lancashire Enterprise Partnership establishing its own staffing structure by Spring 2019.



3. Conclusions

- 3.1. The Lancashire Enterprise Partnership Implementation Plan and associated budget submitted to Government on 31st October 2018 presents a clear plan of activity to implement and communicate reforms in alignment with the Local Enterprise Partnership review policy statement.
- 3.2. Progress is being made on many fronts including developing the Implementation Plan, recruiting a new Chair in accordance with a new transparent process, and defining the constitution of the Lancashire Enterprise Partnership in consultation with Lancashire County Council.
- 3.3. Deadlines for compliance with the Local Enterprise Partnership Review are tight though it is in the best interest of the Lancashire Enterprise Partnership and the community it serves to drive for compliance as quickly as possible, bearing in mind reference in the Review to securing National Prosperity Funding. To this end, it will be necessary to invest available Lancashire Enterprise Partnership funds to secure the necessary professional support with a view to reimbursement once national funds are approved.

List of Background Papers

Paper	Date	Contact/Tel
None		

Reason for inclusion in Part II, if appropriate

N/A

Lancashire Enterprise Partnership Transition Update**Date: 6 November 2019****Author: Interim Transition Director**

Requirement	Current Compliance position	Next Steps towards Compliance	Comment
Produce an Annual Delivery Plan by April 2019 and Year End Report by the end of 2019/20.	<p>LEP Annual Report for 2017/18 to be circulated to the Board in November 2018 for consideration and approval.</p> <p>Awaiting national guidance on content of new report formats.</p>	<p>Await national guidance.</p> <p>Maintain engagement with LEP Network for early intelligence and feedback on Lancashire's progress in implementing LEP Review recommendations.</p> <p>Await details on new Annual Conversation/Performance Review meetings, given Lancashire's session has been agreed for 10 December 2018.</p>	<p>The LEP already produce various annual reports as a matter of course and therefore systems are in place to respond to this requirement.</p> <p>The guidance suggests the reports will focus on plans to deliver Local Industrial Strategies and progress with their delivery.</p> <p>They will contain indicators and "objective assessments" that will be used to judge the performance of LEPs.</p> <p>Local Industrial Strategies will be agreed between March 2019 and March 2020.</p>

Requirement	Current Compliance position	Next Steps towards Compliance	Comment
<p>Process for consultation with business community for recruitment of Lancashire Enterprise Partnership Chair in place by 28th February 2019.</p> <p>Recruitment of Vice Chair if required.</p>	<p>Process and timetable prepared and available to use immediately for recruitment of new Chair.</p> <p>Vice Chair in place, with new arrangements effective from Autumn 2018, as current VC operating as interim Chair</p>	<p>Seek feedback from LEP Network and BEIS colleagues on the recruitment process and timetable for new Chair, including views on the Job Description and Person Specification.</p> <p>Work with Lancashire County Council to amend Articles of Association if required.</p>	<p>Process and Job Description to be approved at LEP Board on 6 November.</p> <p>Transition Director, with the support of the LEP's Executive Team, to be authorised to seek quotes from Recruitment Consultants.</p> <p>Transition Director to be authorised to lead consultation process with business community.</p>
Agree defined term limits for Chair and Vice Chair by 28 February 2019.	Propose 3 years with option to serve a maximum of two terms.	Await firm national guidance. Seek approval at LEP Board on 12 December 2018.	Proposal to Company Member to effect changes
Ensure 2/3 private sector Board coverage with a maximum of 20 Board members by the end of 2019/20.	Compliant with regard to private sector director proportion. Currently 19 Directors but Articles allow 25.	Proceed with current "paused" recruitment of 2 Directors Request the Company Member amend Articles to reflect maximum of 20 Directors by April 2020	Natural churn should result in compliance of 20 Directors by April 2020; if not compliant naturally by January 2020, Chair will develop process to ensure compliance by the deadline
Arrangements for any co-opted Members to be agreed (NB. Five are allowed under Government recommendations) for one year period.	N/A.	Approve principle at LEP Board 6/11 Produce job descriptions and recommendations for LEP Board in December	

Requirement	Current Compliance position	Next Steps towards Compliance	Comment
Gender balance targets to be met: one third by the end of 2019/2020 and half by the end of 2022/2023.	Currently two female Directors from a total of 19 Directors.	Proceed with current recruitment process Build on academic and other experience of linguistics and links to female business networks to maximise the opportunity for compliance LEP top formally request Leaders to nominate 2 public sector Directors by end August 2019	
Provide a Secretariat independent of local government to support the Chair and Board.	Propose to create (subject to obtaining satisfactory employment and legal advice and approval from the Company Member and Accountable Body), the establishment of a LEP Core Executive Team from Spring 2019 to the new LEP. Propose to consider and agree to relocate the new Core Executive Team and the LEP to new accommodation. Agreement reached in principle with Lancashire County Council.	Review organisational structure in context of LEP Transition Workshop. Consider other roles required to support existing delivery – legal and administration support. Work towards approval of revised organisational structure by February 2019. Revised organisational structure to be set in the context of a revised LEP Business Plan. Identify accommodation and IT options, plus other support functions required to effect the Transition of the LEP.	Will commission employment and legal advice on options and issues for implementation. Additional functions to be considered moving forward include: Skills and Employment and Business Growth and Innovation.

Requirement	Current Compliance position	Next Steps towards Compliance	Comment
Achieve legal personality by April 2019	Currently compliant as Company Limited by guarantee. Propose to amend Articles of Association to reflect change of control from April 2019. Initial proposal to consider allocation of shares in proportion to public/private sector representation on the Board, or to make all Directors Members Discussions have taken place with Lancashire County Council in this regard.	Await more specific advice from Government and the LEP Network on "what compliant separation looks like". Seek legal advice on options.	Will require authority to commission legal advice on options for compliant separation and process for implementation.
Agree single Accountable Body by Spring 2020.	Currently compliant, with Lancashire County Council fulfilling the role. Propose to continue to allow large funding programmes such as Growth Deal and successor funding to flow through Lancashire County Council finance systems, with other investment and commercial funds transferring to the new LEP. Have reached agreement in principle with Lancashire County Council that they continue to fulfil the role including S151 duties.	Scope out the future role and agree formal process of approval with Lancashire County Council. Chair of Performance Committee researching options to secure independent Company Secretary role for the new LEP. Prepare to publish a Statement of Annual Accounts for the new LEP April 2019.	Accountable Body role will help ensure financial probity and proper governance in accordance with the existing and revised Assurance Framework.
Hold AGM open to the public and widely promoted with first AGM to be held by 2020.	Can commit to be compliant. Propose to hold first AGM in October 2019, building upon the 2016 "Lancashire: the place for growth" narrative launch.	No immediate action.	

Requirement	Current Compliance position	Next Steps towards Compliance	Comment
Confirmation of accountability for spending decisions, appointments and overall governance.	Currently compliant and judged as good with outstanding features. Revised National Assurance Framework guidance due this Autumn.	Await revised guidance and effect necessary changes.	Unlikely to be significant change for Lancashire.
Agreed arrangements for external scrutiny and expert oversight.	Currently compliant through the LEP's Performance Committee, Lancashire County Council's Overview and Scrutiny Committee, Government led deep dive, Lancashire County Council's internal audit inspection.	Consider strengthening via Lancashire Leaders, Peer Review, independent academics, LEP Network,	
Submit LEP Implementation Plan and Outline Budget for £200,000 Transition Funding by 31st October 2018.	Draft completed (in accordance with this update) and seeking informal input from BEIS and LEP Network at time of writing this document. Working up bid for £200,000 Transition Funding.	Complete Implementation Plan and Transition Funding bid. Complete approval process with LEP Board and Lancashire County Council.	Will need to seek formal approval from LEP Board for use of additional funding. Will also require S151 sign off by Lancashire County Council.

ANNEX D: LOCAL ENTERPRISE PARTNERSHIP 2018-19 ADDITIONAL FUNDING FORM

LEPs should complete Annex D and return it alongside your implementation plans **no later than 31 October 2018**. Plans should provide a sufficient level of detail on the capacity and capability that this additional funding will bring, and demonstrate how it will be spent by March 2019. You will only receive this funding if Government is satisfied that your proposals on geography, implementation and additional funding address the recommendations outlined in the LEP Review. These proposals should be submitted LEPpolicy@communities.gsi.gov.uk copying in your Area Lead.

1. Name of Local Enterprise Partnership	Lancashire Enterprise Partnership
2. Key contact at Local Enterprise Partnership (name, email, and telephone number)	Kathryn Molloy Kathryn.molloy@lancashire.gov.uk 01772 538790
3. Name and address of Accountable Body	Lancashire County Council Chief Executive Christ Church Precinct County Hall Preston PR1 8XJ
4. Level of additional funding being sought (up to £200,000).	£200,000

5. Local Enterprise Partnership additional funding requirements. Please set out in the table the key elements of the partnership's additional budgetary requirements by March 2019 to support the funding request of up to £200K.	£	Description – activities/resources	Why? The capability gap that it is addressing
	£30,000	Interim Transition Director	The LEP Board has agreed to temporarily appoint a Board Director to act as Transition Director. Reflecting the intensity of the current change programme, this role operates as the primary day-to-day link between the Board and core team, under the direction of the LEP Chair.
	£10,000	Recruitment of a new Chair for the Lancashire Enterprise Partnership and consultation with business community on Chair's job description and person specification including stakeholder panel during the recruitment process	The LEP will require the expertise of a specialist recruitment consultant, who will be appointed in December 2018, to assist in the appointment of a new Chair for the LEP. Specialist consultants will maximise identification of suitable candidates as the LEP enters into the next phase of its maturity. Effective consultation activity with the business community will also be undertaken throughout this process

	£10,000	Consultation, communications and marketing activity to support the transition and consultation with key stakeholders including business networks	The LEP will develop a clear plan of activity to communicate the reforms to be implemented as a result of the LEP Review. This will include consultation with key stakeholders, including business networks including the Chambers of Commerce (East and North & West Lancashire), the Federation of Small Businesses and the CBI along with a wider awareness and engagement campaign across our communities.
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	£40,000	Independent legal advice to support the transition period	<p>As the LEP moves towards establishing itself as an organisation independent of the host local authority, there will be a requirement of the LEP to source independent legal advice on a range of matters including (but not exclusively): legal entity / Articles of Association, HR and TUPE / secondment implications for core LEP executive team, company secretary functions and accountabilities to ensure the new organisation is not in breach of company and employment law and understands the requirements of both the LEP Board and core executive team to ensure future compliance of all aspects of company law. As the LEP de-couples from the host local authority, it will no longer be in a position to access some of the 'pro-bono' services previously offered by the council. There may also be a requirement to contribute to the cost to ensure sufficient legal capacity within the host organisation legal team to aid with the legal implications of company separation as well as the implications for existing agreements with recipients of LEP funding. Lack of capacity within the host organisation could severely hinder the separation process.</p>
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	£40,000	Independent financial advice to support the transition period	As the LEP moves towards establishing itself as an organisation independent of the host local authority, there will be a requirement of the LEP to source independent finance advice to provide an appraisal of the options available to the Board and consequent implications of independence including (but not exclusively): the business operating model; investment opportunities; the VAT, tax, pensions and insurance implications of independence; financial regulation requirements for providing loans; audit and preparation of company accounts.
	£20,000	Establishing independent IT infrastructure	As a result of the requirement for the LEP to become an entity independent from the host local authority, the core executive team will no longer be able to access the IT infrastructure and associated operating systems of the host authority. There will therefore be a need to acquire IT equipment and associated infrastructure including finance and accounting packages.
	£35,000	Identifying and securing suitable accommodation to house LEP executive support	As a result of the requirement for the LEP to become an entity independent from the host local authority, the core executive team will no longer be housed free of charge within the host authority. New, accessible, serviced accommodation will therefore need to be sourced and secured in advance of the 1 st April 2019.

	£10,000	Coaching and development for LEP Board members	As the LEP becomes an independent organisation in its own right, responsibilities and services previously absorbed by the host local authority will no longer be available. All functions and responsibilities (financial, legal or otherwise) associated with company ownership will need to be understood and overseen by the LEP Board. The independent legal and financial advice detailed above will provide an understanding of what skills and knowledge is required. A skills audit of LEP Board members will be conducted and gaps in skills/ knowledge will be addressed with this funding
	£5,000	Coaching and development for core LEP executive support team	As the LEP becomes an independent organisation in its own right, responsibilities and services previously absorbed by the host local authority will no longer be available. All functions and responsibilities (financial, legal or otherwise) associated with company ownership will need to be understood and in some cases performed by some of the LEP's executive core team. The independent legal and financial advice detailed above will provide an understanding of what skills and knowledge is required and relevant training identified. It is also likely that the roles and responsibilities of the LEP executive core team will change to reflect the new structure. Training may also be required to support the flex in roles.

	Total: £200,000		
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6. Provide confirmation that the Local Enterprise Partnership has a clear plan of activity to implement and communicate reforms in alignment with the LEP review policy statement.	The Lancashire Enterprise Partnership has a clear plan of activity to implement and communicate the reforms as per the LEP review policy statement. The implementation plan outlining planned activity has been developed, in consultation with colleagues from BEIS, and was submitted to Government for review on 31 st October 2018
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7. Signature of Local Enterprise Partnership Chair	Printed:
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Date	
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8. Signature from section 31 accountable local authority	Printed:
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Date	
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Lancashire Enterprise Partnership - Recruitment of Chair

Consultation Draft Job Description and Person Specification

This document sets out in draft the Job Description and Person Specification for the role of Chair of the Lancashire Enterprise Partnership, for the purpose of consultation with the business community representatives and engagement of local authority leaders during November 2018.

The role is informed by the recent Government Review, Strengthened Local Enterprise Partnerships. It is important that Local Enterprise Partnership's comply with the requirements of the Review and therefore the scope to expand the text highlighted in red is limited.

The document will be finalised in early December 2018 to incorporate views of consultees where appropriate and approval of the LEP Board will be sought on 12th December 2018 to enable its use in the recruitment process.

The final document will contain a preamble celebrating the achievements of the Lancashire Enterprise Partnership, its future opportunities, and a statement from the current Chair.

Job Context

After 7 highly successful years, our current Chair has decided to stand-down from leading the Lancashire Enterprise Partnership to focus again on his own business interests, creating an opportunity for a new Chair to lead this highly regarded Local Enterprise Partnership.

In July 2018 the Government completed a national review of Local Enterprise Partnerships and outlined a clear focus on four activities to support the development and delivery of their Local Industrial Strategies:

- **Strategy:** Developing an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area.
- **Allocation of funds:** Identifying and developing investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the whole economy.
- **Co-ordination:** Using their convening power, for example to co-ordinate responses to economic shocks; and bring together partners from private, public and third sectors.
- **Advocacy:** Collaborating with a wide range of local partners to act as an informed and independent voice for their area

In order to effect this role, the Chair of the Lancashire Enterprise Partnership will ensure the organisation has the capability to deliver on the fundamental task of generating inclusive economic growth, including analysing evidence of economic strengths and weaknesses of Lancashire; identifying the priority areas for investment; and to develop an investment plan to secure necessary funding to take this work forward.

To ensure effective and efficient focus on the priorities for local economic growth and to deliver impact, there should be robust monitoring and evaluation programmes used to inform decisions around awarding, continuing or withdrawing funding.

The Role of the Chair

- Provide visible leadership and strategic direction to the Lancashire Enterprise Partnership Board, translating an ambitious strategic vision into a deliverable Local Industrial Strategy.
- Chair and develop an effective Board of Directors.
- Drive the development of innovative commercial approaches to deliver productivity and growth improvements.
- Forge and protect long-term relationships with Lancashire's businesses to help deliver their growth objectives and potential and support the wider growth of Lancashire, including its sectors and supply chains.
- Maintain a clear, evidence-based knowledge of the strengths and weaknesses of the Lancashire economy and the opportunities for growth.
- Act as an advocate for Lancashire and be able to represent the concerns of its people, institutions and businesses, both locally, nationally, internationally and at the highest levels of Government.
- Hold stakeholders to account for delivery, ensuring tough decisions are taken.
- Play a leading role in regional and national initiatives by building collaboration with other Local Enterprise Partnerships including through participation in the Northern Powerhouse (N11) forum.
- Support, motivate and hold to account the Executive Team in its delivery of strategies, plans, targets and budgets.
- Lead the Board in its scrutiny of the Executive Team in delivering strategies, plans, targets and budgets effectively.
- Ensure the Lancashire Enterprise Partnership is managed as a going concern and that commercial investment models underpin its future sustainability.
- Work with the Accountable Body and Executive Team to ensure the highest standards of public and company governance, financial control and conduct of financial affairs.
- Allocate specific roles and responsibilities to Board Directors; supporting and holding them to account for their delivery.

Essential Criteria

- Strong private sector background and experience of building effective organisations, with a track record of success through entrepreneurship and innovation.
- Recognised business leader with established business networks.
- Understand the drivers of productivity and growth in Lancashire with a knowledge of approaches to deliver inclusive growth outcomes.
- Ability to work collaboratively with a range of stakeholders, including local communities, businesses networks elected representatives, , education institutions and voluntary and community sector bodies.
- A strategic operator able to analyse and interpret the external environment, articulate the Lancashire Enterprise Partnership's position within it and amplify the Board's stated ambitions.

- Ability to establish and maintain robust governance and assurance frameworks and systems to ensure effective financial performance and the delivery of agreed outcomes. Ability to persuade and influence a wide range of stakeholders at all levels.
- Strong interpersonal and communication skills.
- Commitment to equality and diversity.

Terms of Appointment

The new Chair must commit to an initial term of 3 years with an option to extend for a further 3 years by mutual agreement.

Expenses are payable in accordance the LEP's assurance framework.

PA support available.

Time Commitment

The Chair will be required to:

- Chair and attend Lancashire Enterprise Partnership Board meetings (circa 6 per year)
- Attend Lancashire Leaders meetings (circa 6 per year)
- Chair and attend other meetings as required to fulfil the role, including meetings of the N11 Partnership, Transport for the North and LEP Network.
- Actively represent the Lancashire Enterprise Partnership and Lancashire locally, nationally and internationally.
- Chair and attend meetings with MPs, Government Ministers and senior officials
- Likely time investment of 5 days per month

Process for Recruitment of Lancashire Enterprise Partnership Chair

Activity	Timescale	Comment
Share draft JD and PS with Chair	By 12th October 2018	
Consult on draft job role with LEP Board and business community - see detailed rationale below	15th October to 30th November 2018	Consultation period extends into November while concurrently preparing consultant tender docs
Engage with Council Leaders via letter from Chair detailing process and directly at CA meeting on 24/10	Letter by 22/10 Direct engagement of Lancashire Leaders on 24/10	Suggest use of Public Sector LEP Directors to input Leaders' views into the process
Finalise consultation draft of JD and PS	29th to 31st October	
Formally approve consultation draft of JD and PS and the recruitment process at LEP Board on 6th November	6th November LEP Board	Follow consultation rationale noted below, as a minimum
Prepare tender brief and documentation for recruitment consultant	1st to 16th November 2018	
Undertake tendering process	19th to 30th November 2018	
Selection and appointment of consultant	W/c 3rd December 2018	
Inception meeting	W/c 10th December 2018	
Revise JD and PS on the basis of consultation feedback and gain final LEP Board approval	12th December LEP Board	
Advertising, search and recruitment - include use of "Public Sector Appointments Panel" (perceived as good practice)	January 2019	Carried out by consultants

Activity	Timescale	Comment
Recommend to the Company Member that the LEP Articles be amended to allow recruitment decision to be made by LEP Board at special meeting in March	January 2019	
Shortlisting	W/c 4th February 2019	LEP Director panel required
Interviews and appointment - including use of Stakeholder Panels	11th February to 28th February 2019	LEP Director Panel required
Special LEP Board to confirm appointment	March 2019	
Commence role	By end of March 2019	

Notes:

1. Need to adopt this process for recruitment of Vice Chair and submit for approval before 28th February 2019, however as the current vice chair will be acting as Interim Chair at this point we propose to delay implementing Vice Chair recruitment until after the Chair has commenced in post. This will ensure continuity and build in a period of overlap between Chair and Vice Chair terms.

2. Rationale for business engagement and consultation:

Need to consult and engage with businesses of all sizes. We intend therefore to approach the following for comment:

CBI/IOD - representing larger businesses

Chambers of Commerce (East and West/North Lancashire) - representing small and medium sized businesses

FSB - representing smaller businesses

NWBLT to give regional perspective

We will also share/engage with the LEP's Business Support Management Board chaired by Mike Blackburn at which all the above organisations and others are represented.

We should also note that consultation with the LEP Board will serve as another “voice” of business.

Agenda Item 12

(NOT FOR PUBLICATION: By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

Document is Restricted

Agenda Item 13

Document is Restricted

Document is Restricted

Agenda Item 14

(NOT FOR PUBLICATION: By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

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