



Company Number: 07388600

Lancashire Enterprise Partnership Limited Board

Monday, 11th February, 2019 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. Minutes of the Special Board meeting held on 12th December 2018**
(Pages 1 - 8)
- 3. Matters Arising**
- 4. Declaration of Interests** (Pages 9 - 10)
- 5. Interim Chairman, David Taylor, Opening Remarks**
- 6. LEP Governance and Committees Decisions Report** (Pages 11 - 20)
- 7. Lancashire Enterprise Partnership - Key Initiatives**
Presentation by the Head of LEP Coordination Kathryn Molloy
- 8. Development of Lancashire's Local Industrial Strategy** (Pages 21 - 24)
- 9. Eden North - Project Development Funding** (Pages 25 - 28)
- 10. Growth Deal Funding Approvals** (Pages 29 - 40)
- 11. Lancashire Enterprise Partnership Operational Budget 2018/19 - Update Report** (Pages 41 - 50)
- 12. Update on Recruitment of LEP Chair and Directors** (Pages 51 - 52)

13. Any Other Business

14. Date of Next Meeting

An additional Special LEP Board meeting has been arranged to be held at 4:30pm on Tuesday 19th March 2019 in Committee Room 'D' - The Henry Bolingbroke Room, County Hall, Preston.

The next LEP Board meeting after that is scheduled to be held at 4:30pm on 30th April 2019, venue TBC.

15. 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)

16. Marketing Lancashire - 5 Year Business Plan and MIPIM Update (Pages 53 - 56)

Report and presentation by the Marketing Lancashire Chief Executive Rachel McQueen

17. City Deal Update

Oral presentation from the City Deal Executive Chairman Jim Carter

18. LEP Governance Proposals (Pages 57 - 64)

19. LEP Corporate Model; Update on Company Articles and Assurance Framework (Pages 65 - 70)

20. Lancashire Enterprise Partnership – Implementation Plan Report (Pages 71 - 102)



Lancashire Enterprise Partnership Limited Board

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

Present

Edwin Booth (Chairman)

Jim Carter	Mick Gornall
Graham Cowley	Mark Rawstron
Ann Dean	Councillor Phil Riley
County Councillor Geoff Driver CBE	Professor Mark Smith
Councillor Ken Hind	David Taylor
Dave Holmes	Councillor Mark Townsend
Dennis Mendoros	Claire Whelan

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, Lancashire County Council

Nicola Hopkins, Director of Economic Development and Planning, Ribble Valley Borough Council

Councillor Fred Jackson, Blackpool Council

Martin Kelly, Director of Economic Development, Lancashire County Council

Andy Milroy, Senior Democratic Services Officer, Lancashire County Council

Kathryn Molloy, Head of Service LEP Coordination, Lancashire County Council

Katherine O'Connor, Senior Policy Manager, Deputy Area Lead, Department for Business, Energy and Industrial Strategy

Angie Ridgwell, Section 151 Officer, Chief Executive and Director of Resources, Lancashire County Council

Laura Sales, Company Secretary and Director of Corporate Services, Lancashire County Council

Alison Schmid, Service Lead - Strategy and Funding, Blackburn with Darwen Borough Council

Councillor Rupert Swarbrick, Ribble Valley Borough Council

Stephen Young, Executive Director of Growth, Environment, Transport and Community Services, Lancashire County Council

1. Welcome and Apologies for Absence

The Chairman, Edwin Booth, welcomed all to the meeting. Apologies for absence were noted from Directors Liam Finnigan, Mike Blackburn and Councillor Simon Blackburn. It was agreed that Councillor Fred Jackson could attend as an Observer on behalf of Councillor Simon Blackburn. In addition it was noted that Lydia Williamson, Constituency Assistant for the Office of Graham

Jones MP was attending for the public section of the meeting.

2. Minutes of the meeting held on 6th November 2018

Resolved: That the minutes of the Board meeting held on 6th November 2018 be approved as an accurate record and duly signed by the Chairman.

3. Matters Arising

Andy Milroy, Senior Democratic Services Officer, Lancashire County Council updated the Board on a Governance item reported to the 6th November 2018 Board meeting and confirmed that all Registers of Interest for both Directors and Committee Members had been completed with the Lancashire Enterprise Partnership website updated accordingly.

4. Declarations of Interest

None

5. LEP Chair Job Description and Person Specification - Result of Public Consultation

Graham Cowley, Lancashire Enterprise Partnership Director and Temporary Transition Director, presented a report (circulated) which provided the Board with an update on progress made with regard to the appointment of a new Board Chairman.

It was highlighted that the report presented feedback on the consultation held regarding the new Chairman's Job Description and Person Specification for the role and proposed consequent revisions to produce the final draft for use in the recruitment process.

It was also highlighted that following the resignation of the current Chairman with effect from 31st December 2018 that the Board would have 18 Directors, leaving two vacancies in order to reach the maximum number of 20 Directors recommended by Government Guidance. It was reported that the recruitment process was underway for two additional Directors, following advertisement and shortlisting, candidates will be interviewed in January 2019 with a view to making appointments thereafter.

The Board discussed the potential time commitment for any new Chairman and also the possibility of the post being remunerated in order to attract the highest possible calibre of applicants.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Noted the consultation feedback as presented at Appendix 1 to the report and the recommended revisions to the draft LEP Chairman's Job Description and Person Specification.
- (ii) Approved the Job Description and Person Specification documents set out at Appendix 2 to the report for use in the Chairman's recruitment process, subject to further advice from the LEP's external recruitment consultants.
- (iii) Noted the progress made with commissioning the Chairman's recruitment support and the process to appoint two new LEP Directors; and
- (iv) Agreed that the Transition Director can seek advice from the external recruitment consultants and the LEP Network with regard to the Chairman's time commitment and remuneration in accordance with the LEP Board supporting the principle that the Chairman's role will need to be remunerated.

6. LEP Corporate Model; Update on Company Articles and Assurance Framework

Graham Cowley presented a report (circulated) which provided the Board with an update on progress made on the new Lancashire Enterprise Partnership Corporate Model, and update on the Company's Articles of Association and the Assurance Framework.

It was highlighted that the report summarised a number of options under consideration for the future of the Corporate Model and associated issues for consideration in the relevant corporate constitutional documents and the Assurance Framework.

Board Members commented that they supported the principles of the recommendations but noted the need to consult on the proposals with other bodies and also ensure appropriate legal advice is provided in relation to the accountable body status in any proposed new corporate model and that funding within the new model would need to be agreed.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Noted the options of Company Limited by Guarantee and Company Limited by Shares under consideration with legal advisors (in the context of other possible available corporate forms) and authorised the Transition Director to develop those options, with an initial preference for Company Limited by Guarantee with a view to a decision being taken at the next LEP Board meeting; and
- (ii) Noted the key issues under consideration in developing constitutional documents and the Assurance Framework and authorised the Transition Director to progress development of those documents in accordance with

the principles listed in the report.

7. Any Other Business

Annual Government Performance Review

Kathryn Molloy, Head of LEP Coordination, provided the Board with an update on the Annual Government Performance Review meeting that had taken place on Monday 10th December 2018. It was reported that in terms of the Growth Deal Programme, Strategic Overview and Governance that the Lancashire Enterprise Partnership had a "good" rating in all areas.

It was reported that there were two action points to pick up on from the Annual Review meeting, the first point was to evidence that the LEP has cross boundary relationships. It was reported that the Assurance Framework required a small change to incorporate a paragraph regarding cross boundary relationships.

In addition, the second action point was that the Lancashire Enterprise Partnership is required to identify an SME Champion due to a vacancy.

Following a discussion, LEP Director Dennis Mendoros agreed to formally be the SME Champion of the Board on an interim basis until a new permanent SME Champion is identified through the recruitment process to appoint two new LEP Directors.

Resolved: The Lancashire Enterprise Partnership Board agreed to delegate authority to the Head of LEP Coordination to make the necessary changes to the Assurance Framework to incorporate cross boundary relationships, and approved the appointment of Dennis Mendoros as the Board's SME Champion.

The Outgoing Chairman, Edwin Booth

County Councillor Geoff Driver raised an additional item of Any Other Business, following notification from the Chairman of the Board that he wished to step down with effective from 31st December 2018, County Councillor Driver formally thanked the outgoing Chairman, Edwin Booth, for his seven years of service as the Chairman which the Board unanimously endorsed.

Update from the new Interim Chairman, David Taylor

The Board noted that David Taylor will become the Interim Chairman of the Board with effect from 1st January 2019.

David provided the Board with an update from the Northern Powerhouse 11 (NP11). It was reported that NP11 was a collaboration of all the LEP's in the North of England and that Lancashire MP Jake Berry has a desire to make the Northern LEP's more cohesive. NP11 is currently going through a process to consider if it should have a Secretariat function and key members of staff. It was noted that further updates from NP11 will be provided as the body develops.

In addition, it was suggested by the Interim Chairman, that at the next Board meeting an update presentation be given on the Enterprise Zone's and progress made to date.

Resolved: The Lancashire Enterprise Partnership Board noted the update from NP11 and requested that LEP Officer provide a presentation on Enterprise Zone's progress to the next Board meeting.

8. Date of Next Meeting

It was noted that the date of the next Board meeting currently scheduled for 22nd January 2019 would be best being moved as the LEP Transition Director is unavailable on this date. It was agreed to explore the option of moving the meeting to early February 2019 with the Company Secretary requested to circulate an alternative date after the meeting.

9. Exclusion of the Press and Public

At this point the LEP Board approved that the meeting move into Part II, Private and Confidential, to consider the remaining report and presentations as they 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 each report or presentation. 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.

Lydia Williamson and Councillor Fred Jackson left the meeting at this point.

The LEP Board agreed that Councillors and Officers from Local Authorities, bound by their own Code of Conduct and confidentiality, could remain for the Part II section of the meeting.

10. Establishment of LEP Independent Secretariat

Graham Cowley presented a private and confidential report (circulated) regarding the establishment of the LEP's Independent Secretariat.

Board Members provided feedback to the Transition Director on the proposals set out.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Approved the proposed LEP functions, attached at Appendix 1 to the report.
- (ii) Noted the outline costings arising from the proposed LEP functions to be either directly delivered or commissioned.

- (iii) Authorised the Transition Director and Senior LEP Staff to develop a draft Business Plan for the LEP for the 2019/20.
- (iv) Noted the preferred HR processes and timeline of approvals required in relation to the proposals with regard to proposed implementation by April 2019.
- (v) Noted the Service Level Agreements required to secure the necessary support services, authorising the Transition Director to develop relevant Service Level Agreements with a view to obtaining further Board approval to enter into the necessary arrangements prior to April 2019.
- (vi) Noted the outline governance proposals and authorised the Transition Director to develop more detailed draft Terms of Reference, in consultation with individual LEP Directors, for each proposed Board / Committee.
- (vii) Agreed the proposed criteria for assessing future accommodation options, with a further report requested to the next LEP Board meeting regarding proposed options.
- (viii) Considered and agreed to the suggestion that future Board meetings be arranged at public and private sector officers around Lancashire.
- (ix) Considered and approved the LEP's draft Annual Report for 2017/18 as attached at Appendix 3 to the report; and
- (x) Authorised the Transition Director, in consultation with the LEP's appointed legal and financial advisors and the county council, to continue to develop draft Articles of Association and a revised Assurance Framework which reflect the outline recommendations contained in the report.

11. Preston, South Ribble and Lancashire City Deal Update

Jim Carter, Chairman of the Preston, South Ribble and Lancashire City Deal Executive (and Stewardship Board Member) provided the LEP Board with a private and confidential update on the Preston, South Ribble and Lancashire City Deal.

Resolved: The Lancashire Enterprise Partnership Board noted the update and provided feedback to the Chairman of the City Deal Executive.

12. Eden Project Update

The Chairman, Edwin Booth, provided a private and confidential update regarding the Eden Project in Lancashire. With it reported that a full report on this project would be submitted to the next Board meeting for consideration.

Resolved: The Lancashire Enterprise Partnership Board noted the updated provided and that a full report will be submitted to the next Board meeting for

consideration.

Agenda Item 4

Director's Declaration of Interest in Proposed Transaction or Arrangement

LANCASHIRE ENTERPRISE PARTNERSHIP LIMITED

Name	
Date of Notification	
Date of Consideration of Item (i.e. date of Board meeting)	11.02.2019
Item Number (if relevant)	
Description of Transaction	
Nature of Interest	



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: Monday, 11 February 2019

LEP Governance and Committees Decisions Report

**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.

Recommendation

The Lancashire Enterprise Partnership Board is asked to:

- (i) Note the updates provided in this report in relation to Governance and the Committees of the Lancashire Enterprise Partnership; and
- (ii) Note that all Director, Committee Members and Officers will be asked to review their Register of Interests and confirm them as correct for the 2019/20 municipal year.

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 January 2019 is publically available on the Lancashire Enterprise Partnership website: <http://www.lancashirelep.co.uk/about-us/about-the-lep.aspx>

It should be noted that the Assurance Framework has been updated since the last LEP Board meeting in light of recent LEP Director resignations and Committee Member changes as set out in the report.



Governance Updates

Register of Interests – Directors, Committee Members and Officers

This is a regular standing item within the Governance report which recognises the importance of all Directors, Committee Members and Officers ensuring they continually review their published Register of Interests in accordance with both National and Local Assurance Frameworks.

As reported to the last ordinary LEP Board meeting held on 6th November 2018 all Registers are up to date and published in accordance with the guidelines on the LEP website. Whilst they are up to date all Directors, Committee Members and Officers are requested to review their Registers and confirm they continue to be correct for the 2019/20 Municipal Year.

Current LEP Vacancies

As a result of the resignation of the former Chairman, Edwin Booth on 31st December 2018, and the Performance Committee Chairman Liam Finnigan on 21st December 2018, there are a number of LEP related vacancies as follows:

- LEP Vice Chairman
- Executive Committee
- Enterprise Zone Governance Committee
- Performance Committee (2 x vacancies one for Chairman plus another LEP Director)

These vacancies will be picked up as part of the LEP transition work being undertaken by the LEP Transition Director Graham Cowley, therefore it is not proposed to fill these vacancies at this time.

It is also for noting that in late December 2018, Councillor Ken Hind resigned as Leader of Ribblesdale Borough Council and therefore as one of the two Lancashire District Leader Directors on the LEP Board. Lancashire District Leaders have been requested to nominate a replacement Director.

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

1. Executive Committee – Urgent Decisions Taken

27th December 2018 – Luneside East Revised Proposal

The Executive Committee, on behalf of the Lancashire Enterprise Partnership, approved revised repayment terms and security arrangements as presented with regard to this Growing Places investment. The Executive Committee requested that the LEP Board receive regular updates on this scheme at future LEP Board meetings.



15th January 2019 – Three New LEP Skills and Employment Board Committee Members

The Executive Committee, on behalf of the Lancashire Enterprise Partnership, approved, following a recruitment and selection process that Ruth England, Head Teacher of Shuttleworth in Burnley, Andrew Dewhurst, Director of the Affilius Group and Neil Conlon, Divisional Director, Conlon Construction be appointed as Committee Members on the LEP Skills and Employment Board. This takes the membership of the LEP Skills and Employment Board to 10 with a maximum permitted membership of 12.

18th January 2019 – North Blackburn Growth Funding Application

The LEP Executive Committee considered a strategic outline business case report prepared by Jacobs and approved, endorsed by the Transport for Lancashire Committee, on behalf of the Lancashire Enterprise Partnership and agreed to conditionally grant the scheme a maximum £2.3m Growth Deal funding. The funding award being conditional on Blackburn with Darwen Borough Council providing confirmation that the collective economic output forecasts for the three 'Pennine Gateway' schemes remain in line with the targets provided in the original Expression of Interest.

23rd January 2019 – Skills Advisory Panel Memorandum of Understanding

The LEP Executive Committee considered and approved the submission of the Memorandum of Understanding document, as presented, for submission to the Department of Education by the deadline of 25th January 2019 in order to secure £75k funding to support the Skills Advisory Panel for Lancashire.

2. Transport for Lancashire Committee

16th January 2019 – Transport for Lancashire Committee Meeting

The Transport for Lancashire Committee met on 16th January 2019 and considered / approved the following:

- **North Blackburn Funding Application** – The Committee considered and approved a Strategic Outline Business Case Report prepared by Jacobs and recommended that the LEP Board grant the scheme a maximum £2.3m of Growth Deal Funding (this item is considered elsewhere on this agenda). The Committee also agreed to advise the LEP Board that the funding grant be conditional on Blackburn with Darwen Borough Council providing confirmation that the collective economic output forecasts for the three 'Pennine Gateway' schemes remain in line with the targets provided in the original Expression of Interest.



- **Lancashire Local Transport Plan Update** – The Committee considered and noted an update report on the preparation of a joint local transport plan for Lancashire, the current Lancashire Local Transport Plan runs until 2021, work is being undertaken collaboratively to prepare a joint local transport plan covering the three local transport authority areas of Lancashire and with a 25 year time horizon to 2045. The objective is to have this plan in place by 2020.

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

29th November 2018 – City Deal Executive and Stewardship Board Meeting

The Combined City Deal Executive and Stewardship Board met on 29th November 2018 and considered / approved the following:

- **Preston Western Distributor (including Cottam Link Road) and East West Link Road** – The Executive / Stewardship Board were provided with a full update (in Part II Private and Confidential) regarding costings and scheme delivery which was noted.
- **A582/B5253 South Ribble Western Distributor Update** – The Executive / Stewardship Board received a report in Part II (Private and Confidential) in which they noted the costs for, and assumptions leading to, the order of magnitude estimates produced in 2012 and 2018 and noted the ongoing work to devise a mitigation strategy to be reported to the meeting of the City Deal Executive and Stewardship Board in early 2019.
- **Housing Site Review** – The Executive and Stewardship Board received a report in Part II (Private and Confidential) noting the Hive report's recommendations in relation to the acceleration of housing sites, with the Development Sites Delivery Group requested to report back to a future meeting on progress with implementation, approved the revised housing forecast provided by Hive, which will in turn be used for performance and finance monitoring purposes, and, tasked the City Deal Review Group with determining options to address the implications of the revised housing forecasts and impact on the finance model.
- **Independent Review of the Preston, South Ribble and Lancashire City Deal** – The Executive and Stewardship Board received a report in Part II (Private and Confidential) in which they noted a final independent review presented by Steer and requested that the City Deal Review Group develop an action plan to address the recommendations in the report.



18th December 2018 – City Deal Executive and Stewardship Board Meeting

The Combined City Deal Executive and Stewardship Board met on 18th December 2018 and considered / approved the following:

- **Detailed Private and Confidential Note of the Combined City Deal Meeting held on 29th November 2018** - The Preston, South Ribble and Lancashire City Deal Executive and Stewardship Board confirmed the detailed private and confidential note of the Combined City Deal Executive and Stewardship Board meeting held on 29 November 2018 as an accurate record.
- **City Deal Review** - The Executive and Stewardship Board were provided with a private and confidential update from partners in relation to options for the financing and delivery of the Scheme. The City Deal Executive and Stewardship Board:
 - (i) Received and noted the information presented at the meeting.
 - (ii) Expressed concern and disappointment that the Combined meeting was not yet in a position to consider and finalise options for income generation, scheme sequencing/prioritisation and expenditure mitigation; and
 - (iii) Recognised that the City Deal was now time critical and requested all partners to work together over the next few weeks to enable firm proposals for income generation, scheme sequencing/prioritisation and expenditure mitigation to be presented for determination at the next combined meeting on 5 February 2019.

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

12th December 2018 – Growth Deal Management Board

The Growth Deal Management Board met on 12th December 2018 and considered / approved the following:

- **Social Value Report** – The Growth Deal Management Board commented on performance across the social values metrics and the attached social value dashboard. The Committee also reviewed and supported the proposal for the adoption of the National Social Value Framework Themes Outcomes and Measures, as a standardised methodology for measuring social values across the Growth Deal programme.
- **Growth Deal Communications Update Report** – The Board considered and approved a report on recent Growth Deal communication activity.
- **AMuseum Appraisal Update Report** – The Growth Deal Management Board considered a report and agreed that the Lancashire Enterprise Partnership be



recommended to approve Growth Deal funding of up to £1.500m to the AMuseum project at its next meeting, subject to:

- i) Securing the final elements of the project's funding package, including contributions from the Heritage Lottery Fund and Coastal Communities Fund and ongoing fund raising activity.
 - ii) Further understanding of the target market for the attraction in terms of socio-economic groups and age bands and, linked to this, the additionality of visitor numbers to the resort and Lancashire as a whole.
 - iii) Confidence regarding visitor demand – based on the latest scheme proposals – from a current non-Blackpool visitor market.
 - iv) Greater understanding regarding the extent and nature of interactive exhibitions to be accommodated in the museum (although some further details have been provided since June and this will be an ongoing area of development).
 - v) Ongoing financial sustainability, given the tight operating margin (although the Council has noted that a review of costs is underway – which would, potentially, in turn, impact on levels of direct, indirect and induced employment
 - vi) Confirmation from the applicant to under-write the museum's operations for 10 years).
 - vii) Quantification of the added value of inclusion of the museum project within the Renewal of Blackpool programme.
 - viii) Provision of the final management/operating structure together with recruitment process, to provide confidence re the delivery of this sector intervention.
- **Programme and Project Update Report** – The Growth Deal Management Board considered a report containing LEP Funding Approvals, Local Growth Funding Agreements, Project Updates and Monitoring, Evaluation and Social Value Workshop updates which was noted. It was requested that an update in relation to unallocated funds be presented to the next Committee meeting.
 - **Growth Deal Evaluation Update Report** – The Growth Deal Management Board considered a report and approved the five schemes for which an exemplar project evaluation would be undertaken as follows:
 - Food, Farm, Innovation Technology Centre
 - Hyndburn, Burnley, Pendle Growth Corridor
 - 21st Blackpool Conference Centre
 - Advanced Manufacturing Research Centre North West
 - Lancaster Health Innovation Campus
 - **Northlight – Mini Business Case Report** – The Growth Deal Management Board considered a report and approved that the project proceed in accordance with the mini business case as presented subject to the provision of an acceptable State Aid Opinion and confirmation of Lancashire County Council funding to the scheme. In addition it was agreed that a meeting be arranged



between the Chair of Growth Deal Management Board, the Programme Manager and the Project Sponsor to discuss slippage and delivery timescales.

- **Local Grant Funding Agreements – Approval to Execute** – The Growth Deal Management Board approved the Local Grant Funding Agreement for the North West Burnley Growth Corridor Scheme and the Furthergate Link Road – Pennine Gateway scheme, allowing the Local Grant Funding Agreement to be executed, concluding contracting.
- **Growth Deal Finance Report** – The Growth Deal Management Board received a 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 as set out, and, agreed that consideration be given to the continued profiling of funding forecasts being as accurate as possible, with the Committee managing existing projects in order to recoup any slippage and ensure new projects remain on track in line with their spend profile.

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

28th November 2018 – Enterprise Zone Governance Committee

The Enterprise Zone Governance Committee met on 28th November 2018 and considered / approved the following:

- **Hillhouse 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 and endorsed the programme of forthcoming activity as set out in the report.
- **Blackpool Airport Enterprise Zone Progress Report** – The Committee considered a written report. It was highlighted that the Blackpool Airport Enterprise Zone Masterplan had now been submitted to the Ministry of Housing, Communities and Local Government with feedback due imminently. An update was provided on the Delivery (Implementation) Plan for the Zone including core outputs and funding. The Committee noted the progress report and endorsed the updated Masterplan as presented.
- **Samlesbury Aerospace Enterprise Zone and Warton Aviation Enterprise Zone** – The Committee received a written report on both these sites. With regard to Samlesbury Enterprise Zone it was highlighted that it had recently seen significant investment to develop the site as a world-class advanced manufacturing location which has included infrastructure works. It was noted



that the site was now home to the Academy for Skills and Knowledge and that an Advanced Manufacturing Research Centre planned for the Zone was progressing.

With regard to Warton Aviation Enterprise Zone it was highlighted that a masterplan and ten year Local Development Order were now in place for the site.

The Enterprise Zone Governance Committee noted and endorsed the updates provided on Samlesbury Aerospace and Warton Aviation Enterprise Zones.

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

21st November 2018 – Lancashire Skills and Employment Board

The Lancashire Skills and Employment Board met on 21st November 2018 and considered / approved the following:

- **Lancashire Skills and Employment Hub Update** – The Lancashire Skills and Employment Board noted the update report, agreed to put forward a formal request to the Education Skills Funding Agency to have an observer on the Lancashire Skills and Employment Board and agreed to establish a task and finish group on the subject of apprenticeships (consisting of Gareth Lindsay, employer ambassadors and local authority leaders) to report to the meeting of the Lancashire Skills and Employment Board on 3 April 2019.
- **City Deal Skills and Employment Report** – A report was presented providing an overview of the information submitted by the City Deal Skills and Employment Steering Group to the City Deal Executive. It was emphasised that the performance is mainly in line with the targets for each of the key performance indicators. It was noted that, while there was a decline in apprenticeship starts nationally and in Lancashire due to the Apprenticeship reforms, there had been an increase in the number of apprenticeship starts generally, and a significant increase in the number of construction apprenticeships in the City Deal area.
- **Careers Information Advice and Guidance for Adults** – The Lancashire Skills and Employment Board received a presentation on this topic which was noted with comments raised regarding the potential exclusion of people with limited access to the internet from the support networks provided.
- **European Social Funds** – The Lancashire Skills and Employment Board received a report which provided an overview of Lancashire's European Social



Funds programme and the current position regarding allocated and unallocated funds. It was agreed to recommend that the Lancashire ESIF Committee approve the proposals detailed in the report, for submission to the Department for Works and Pensions.

- **Technical Education Vision** – A report was presented which provided an update on the launch of the Lancashire Education Vision taking place on 30th November 2018. It was noted that the Lancashire Technical Education Steering Group will provide updates to the Lancashire Skills and Employment Board through the regular Employment Hub update report.
- **LEP Review** – An update was provided on progress with the LEP review.
- **European Social Funds (ESF) – Education Skills Funding Agency (ESFA) Opt-In Projects** – An overview presentation was provided for each of the Education Skills Funding Agency Opt-In projects against their current ESFA profiles which was noted.
- **Appointment of new Skills and Employment Board Members** – An update was provided on the recruitment process to appoint new Skills and Employment Board members to fill existing vacancies which was noted.

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 ordinary meeting of the Lancashire Enterprise Partnership Board held on 6th November 2018 / Special Lancashire Enterprise Partnership Board meeting held on 12th December 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

9th January 2019 – Business Support Management Board

The Business Support Management Board met on 9th January 2019 and considered / approved the following:

- **Developing a Local Industrial Strategy for Lancashire – the role of the Lancashire Enterprise Partnership's Business Support Management Board** – It was noted that the core issues for the Lancashire economy required identification and implementation of the assessment framework would be vital.



The Board noted the report and provided a steer on the development of Lancashire's Local Industrial Strategy.

- **LEP Review Update and Process to select new Chair** – A verbal update was provided to the Business Support Management Board on this subject.
- **North West Coastal Arc Clean and Sustainable Growth** – A report was presented which provided an update on regional Science and Innovation Audits and the North West coastal Arc Partnership for Clean and Sustainable Growth which was formed in 2017 which was noted.
- **Lancashire Energy Plan** – A report was presented which updated on use of a grant provided by the Department for Business, Energy and Industrial Strategy to develop a Local Energy Strategy / Plan with the work in Lancashire to produce the Plan led by a steering group comprising representatives from local authorities, public health, two universities, local utility companies, the private sector and the Lancashire Enterprise Partnership. The Business Support Management Board noted the extent to which European Regional Development Funding Priority 4 funding had been committed and endorsed the Energy Strategy / Plan on behalf of the LEP Board.

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
None		
Reason for inclusion in Part II, if appropriate		
N/A		



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: Monday, 11 February 2019

Development of Lancashire's Local Industrial Strategy

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Executive Summary

This report provides the Lancashire Enterprise Partnership Board with an update on the development of Lancashire's Local Industrial Strategy and the evidence base which will underpin it.

Recommendation

The Lancashire Enterprise Partnership Board is asked to consider and approve the proposed approach and timeline to develop both the evidence base and Local Industrial Strategy for Lancashire.

Background and Advice

The Industrial Strategy White Paper set out that the first Local Industrial Strategies will be agreed with Government by March 2019. However, in recent guidance Government has confirmed that it will aim to agree all places' Local Industrial Strategies in England by early 2020.

In December 2018, Government announced that all areas were now invited to commence the development of the evidence base which will underpin the development of their Local Industrial Strategy as well producing and consulting on the development of the Local Industrial Strategy itself.

Government has also now started to share the requirements of the evidence base for Local Industrial Strategies, with consistency of evidence across all 38 a key requirement.

The Board has previously received regular updates on the development of Lancashire's evidence base. However, this report proposes a detailed timeline to further develop our evidence base in line with new national requirements and to reflect a focus on Lancashire's specific opportunities and challenges. The timeline also focuses on the development of the Local Industrial Strategy itself, including extensive business engagement and work with key stakeholders as the evidence base and



document emerges. Key considerations throughout the process of evidence base and strategy development will be collaboration, prioritisation and evaluation including the proposed establishment of a Lancashire wide economic intelligence and research function.

To accelerate the development of the Local Industrial Strategy and ensure the timeline proposed is achieved, independent consultancy support has been secured.

The Board is advised that the timeline below was presented by the Transition Director to Lancashire Leaders at their meeting in January.

Lancashire Plan

A Lancashire Plan is being refreshed to set the long term vision and ambition of Lancashire and provide a strategic framework to secure integration across multiple pan-Lancashire strategies and priorities, including the Local Industrial Strategy. This will help set the ambition and targets for the Local Industrial Strategy as well as providing a long range lens within which Local Industrial Strategies will sit.

The strategic framework for Lancashire will help enable this integration with a number of strategies working together as interlocking spheres of influence. Therefore, all things come together in all strategies, but the focus is different. The Local Industrial Strategy for example will focus on such things as productivity, innovation, sectoral strengths and skills, whereas the Local Transport Plan will focus on connectivity, and so on. It will not be the case that themes or functions are assigned solely to individual institutions. Rather we are seeking to create a collaborative set of arrangements where the multiple strategies come together.

Lancashire's Local Industrial Strategy

The Local Industrial Strategy will be produced in parallel to the proposed Lancashire Plan given the requirement from government for each area to publish a Local Industrial Strategy by March 2020. It will be developed within the framework of the five Foundations and four Grand Challenges identified in the National Industrial Strategy with universities and the research and development strategies of major companies playing a key role in meeting the target of securing 3% of GDP invested in Research and Development in the Lancashire powerhouse.

Evidence Base: the production of a strategic assessment

- Consultant led evidence base review by Steer Economic Development;
- Review of the Science and Innovation Audit;
- Consolidation and identification of gaps;
- Review and publish evidence base in line with national evidence and data requirements;
- Analysis of productivity challenges;
- Analysis of opportunities;
- Ongoing work with Government analysts;
- Consultation on evidence base up to end March/April.



- In parallel the establishment of a Lancashire Independent Economic Review, to advise on and assist the LIS design, formulation and development.

Strategy development and production:

- Formulate key trends from evidence base into strategy underpinned by the five Foundations and four Grand Challenges;
- Production of Local Industrial Strategy throughout April to June/July with ongoing business and stakeholder engagement throughout;
- Consultation over summer;
- Final draft published by end of September for submission to Government;
- Consultation with Government Autumn 2019;
- Publication of a Lancashire Local Industrial Strategy early 2020.

In terms of the approach to inclusive growth, the Lancashire Enterprise Partnership will commit to securing it as part of the overall strategy for raising productivity, closing the output gap and increasing international competitiveness, to support local economies. As a minimum, the Local Industrial Strategy will continue to apply Social Value Toolkit requirements and the Skills Escalator approach model to investment programmes and the embedding of Social Value in capital programmes with partners.

Local authority engagement will be ongoing via the Leaders' Economic Development theme group and via the Local Authority Economic Development Officer Group (LEDOG) through a joint working group on Lancashire Plan. The Lancashire Skills and Employment Hub will also continue to support the work of the Leaders' Skills and Education theme group, aligning the work of the Lancashire Leaders and the Skills and Employment Board and the development of the People foundations of the LIS.

An Expression of Interest for £75,000 of funding relating to the Skills Analysis Advisory Panels (Skills and Employment Board) has been submitted to the Department for Education following approval by the Executive Committee. The funding, which is available for delivery to boost analytical capacity in 2019/20, will support the development of the evidence base for the Local Industrial Strategy with a specific focus on combining the strengths of the Lancashire Labour Market Intelligence Toolkit with the Skills Analysis Advisory Panel Toolkit, consultant led qualitative research with local employers to supplement quantitative data, contribution to the employment of a Data Analyst, development of a Monitoring and Evaluation Framework and training for the Lancashire Enterprise Partnership's team to support the development of its analytical capability.

In addition, an Expression of Interest has been submitted on behalf of the LEP for £5,000 of support through the Impact Acceleration Account which is available to all Local Enterprise Partnerships as part of the Local Industrial Strategy evidence base development. The project, which will fund a Research Placement post for a limited time, will seek to enhance collaborative working by partners to increase Lancashire's innovation performance by highlighting potential for joint working across a wider range of partners.



List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: Monday, 11 February 2019

Eden North - Project Development Funding

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Executive Summary

The Lancashire Enterprise Partnership and local stakeholders including Lancaster University, Lancaster City Council and Lancashire County Council are working with Eden International to progress the potential Eden North initiative.

Eden North will be a transformational project which will re-imagine Morecambe as a seaside resort for the 21st century, providing a catalyst to drive the regeneration and transformation of the local and regional economy.

This report requests that the LEP Board approves £250,000 from its annual Operational Budget for 2018/19 to enable Eden International to develop the next phase of the business case for the Eden North initiative which will include a funding strategy, architectural and content designs and a stakeholder engagement and communications strategy for the project.

The Board is advised that Lancaster University, Lancaster City Council and Lancashire County Council have also been requested to contribute £250,000 each towards the £1m commission. Eden International will fully match the £1m commission.

Lancaster University will act in a co-ordinating capacity to ensure local stakeholder funding is managed in line with the requirements of the commission and a funding agreement to protect the Lancashire Enterprise Partnership's interests will be entered into with the funding partners and Eden International

Recommendation

The Lancashire Enterprise Partnership Board is recommended to:

- (i) Approve £250,000 from the LEP's annual Operational Budget for 2018/19 to enable the next phase of business case development for the Eden North initiative subject to contributions of £250,000 each being secured from Lancaster University, Lancaster City Council and Lancashire County Council.



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| <p>(ii) Receive a report on the findings from the next phase of the business case development at a future meeting of the Lancashire Enterprise Partnership Board.</p> |
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Background and Advice

Since 2017, Eden International has been working with local stakeholders including Lancaster University, Lancaster City Council, Lancashire County Council and the Lancashire Enterprise Partnership to explore the feasibility of establishing the Eden North initiative. Eden North would complement the Eden Project in Cornwall and will be a major tourist attraction, community resource and global brand in the North of England.

Eden North will re-imagine Morecambe as a seaside resort for the 21st century, providing a catalyst to drive the regeneration and transformation of the local and regional economy. It has been inspired by the natural environment of Morecambe Bay focussed on natural and human health and well-being whilst also enabling cutting edge real life research, linking into world class research and the Health Innovation Campus.

The LEP has previously invested £150,000 towards the first phase business case development which was focussed on developing the initial strategic, commercial and financial elements of the project. The findings from this work confirm that Eden North could operate successfully once built and that it could attract 750,000 visitors to Morecambe, its proposed site, within the first few years of operation. Based on these numbers, Eden North would become one of the most important destinations in the UK, attracting visitors from both home and abroad.

This first phase of work has been presented to local partners, Jake Berry MP Minister for the Northern Powerhouse and Local Growth and Lords Price, Inglewood and Henley.

The second phase of the development of the business case will focus on establishing a funding strategy, architectural and content designs and a stakeholder engagement and communications strategy for the project

It is anticipated that work will commence in early 2019, subject to funding support of £1m being secured from Lancaster University, Lancaster City Council, Lancashire County Council and the Lancashire Enterprise Partnership. Eden International will fully match the £1m commission.

Lancaster University will act in a co-ordinating capacity to ensure local stakeholder funding is managed in line with the requirements of the commission.

The Board is advised that in the Chancellor's Autumn Budget Statement, £100,000 was announced to support the production of a Treasury Green Book Appraisal for



Eden North. Colleagues in the Department for Business, Energy and Industrial Strategy are currently preparing a business case to release the funding to the LEP.

List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: Monday, 11 February 2019

Growth Deal Funding Approvals

(Appendix 'A' refers)

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

This report asks that the Lancashire Enterprise Partnership Board to approve Growth Deal funding for the AMuseum scheme.

The report also provides the Board with an update on the overall performance of the Growth Deal programme and specifically seeks the Board's sign-off for the Growth Deal quarterly reporting for Quarter 2 (July to September) 2018/19, which is attached at Appendix 'A'.

Recommendation

The Lancashire Enterprise Partnership Board is asked to:

- 1). Approve a maximum funding allocation of £1.500m to the AMuseum scheme, subject to:
 - (i) the conditions as detailed within the body of this report being completed to the satisfaction of the Growth Deal Management Board; and
 - (ii) the finalisation and execution by Lancashire County Council (as accountable body for the Lancashire Enterprise Partnership) under the guidance of the Directors of Corporate Services and Growth Environment and Planning of a Grant Funding Agreement and other relevant legal documentation as may be necessary to protect the interests of Lancashire County Council and the Lancashire Enterprise Partnership;
- 2). Approve the implementation of the Lancashire Enterprise Partnership's Growth Deal Reallocation Procedure in respect of the £16.490m currently unallocated within the Growth Deal Programme including the proposed consideration of any emerging projects which meet the criteria proposed in the report;
- 3). Note the update on the overall performance of the Growth Deal Programme and approve the submission of the Growth Deal Quarterly Reporting Summary Dashboard for Quarter 2 (July to September) 2018/19 to the Cities and Local Growth Unit.

Background and Advice

AMuseum Scheme

At the meeting of the Growth Deal Management Board held on the 2nd July 2018, consultants Ekosgen, presented their independent appraisal findings of the AMuseum project Business Case, which was seeking a £1.500m Growth Deal funding approval recommendation.

The AMuseum, is a £13.600m project designed to secure a national profile attraction and diversify Blackpool's leisure offer to serve as a draw for new visitors to the resort and support the town's regeneration. The attraction would be Blackpool's first museum focussed on telling the story of Blackpool's role as the first and largest seaside resort in Britain and the role it has played in British popular entertainment over the last 150 years.

The 2,100m² museum will be developed on the first floor of the redeveloped Palatine Building on the 'Golden Mile', next door but one to Blackpool Tower. The building will also house Blackpool's first five star hotel through a scheme being delivered by the private sector. The project is expected to commence works on site April 2019, and complete by April 2020.

The project has been developed by Blackpool Council who are the applicant and accountable body for the project. It will be operated by an arms-length charitable company limited by guarantee with Blackpool Council as its sole member.

The Growth Deal Management Board meeting held on the 2nd July 2018, resolved to defer making the funding recommendation to the Lancashire Enterprise Partnership Board, in order to provide Blackpool Council with the opportunity to respond to the areas identified both in the AMuseum presentation/report and also subsequent matters raised by the Growth Deal Management Board members during the course of the meeting. The areas identified were as follows:

- Updates to be provided regarding progress in securing the remainder of the project's funding package (including through fund raising) with no Growth Deal expenditure to occur (subject to a final decision being made to support the project) until all resources are secured (which reflects the anticipated expenditure profile).
- Confirmation of planning permission being secured for the change of use to museum space to be provided. As the scheme is being delivered as part of a wider redevelopment of the site, further clarity is also required regarding the timescales and nature of improvements to the building facade (which falls outside the project scope).
- A more detailed set of milestones be prepared to support progress monitoring.
- Detailed costings to be shared once they become available to provide confidence that works are deliverable within budget and to the planned scope. Implications for the final Growth Deal contribution should also be considered (on the basis that if costs are lower than expected the funding contribution would reduce).



- Ongoing testing of forecast visitor numbers (with further activity understood to be planned for Summer 2018) to demonstrate deliverability of current forecasts or amend them as applicable. Any changes to visitor forecasts and implications for direct and indirect/induced employment benefits should be shared as soon as they become known.
- A commitment to be made by Blackpool Council to under-write any operating losses (to a level above and beyond the current £310,000 annual revenue allocation identified) and to confirm anticipated arrangements beyond the current period of committed support.
- Monitoring arrangements for the capture of indirect and induced scheme benefits be clarified along with the scope for the counting of any benefits within Growth Deal timescales.
- Consider the low benefit to cost ratio of **1:40**, which is sensitive to change to visitor numbers. For example a 30% reduction in visitor number could result in a benefit to cost ratio of less than one. Whilst the LEP's Assurance Framework when assessing value for money for 'economic schemes' does not state a minimum benefit cost ratio, for transport schemes 2.0 is identified with anything below this figure representing low value for money.
- Provide further detail of the arrangements, certainty and long term viability of the other occupants of the building i.e. Hotel and Restaurant. For example, what would be the impact to the AMuseum if they go out of business?
- Confirm the Strategic Vision for the facility, and how that supports attraction of an on-going supply of new visitors from outside Blackpool.
- Provide further detail of what exactly will be on show / display in the AMuseum
- Provide information on the background and relevant experience you will seek from the people employed to 'manage' the AMuseum, especially in relation to this sector and the need to attract and sustain visitor numbers.

Following the meeting of the Growth Deal Management Board:

- The requirements were circulated to the project applicant;
- A meeting was held on the 1st August 2018 between the applicant, their advisors AMION Consulting, the Lancashire Enterprise Partnership, and Ekosgen, to discuss the areas requiring further clarification;
- The applicant has submitted a written response to the questions raised.

The update report, which would include a response to each requirement as detailed above was due to be presented to the Growth Deal Management Board at its meeting on the 3rd October 2018, however in the interim period the applicant requested that the report be deferred to the 12th December 2018 meeting of the Growth Deal Management Board to allow senior council representation to be present at the Growth Deal Management Board meeting to respond to queries, and also to reflect the timescales for receipt of detailed costing information and funding outcomes. The Chair of the Growth Deal Management Board agreed to this. In addition it was also agreed that given the low benefit to cost ratio for this scheme, that the applicant provide a further response which provided quantified evidence of why this scheme is essential to the wider Renewal of Blackpool programme.

At its meeting on the 12th December 2018, Ekosgen, who completed the independent appraisal of the business case, presented a further appraisal update report to the



Growth Deal Management Board, which provided an update of progress made on the project since the 2nd July 2018 meeting, outlining the information provided in response to each requirement as detailed above.

The Overall Assessment Findings and Points for Consideration (extract from Ekosgen appraisal update report):

A number of areas of progress have been made since the AMUSEUM investment proposal was considered at the July 2018 meeting but other elements of the scheme's development remain ongoing and/or details have not been provided by the project team to allow a definitive conclusion to be reached.

Areas of Progress - The primary areas of progress have been:

- Continued development of the museum concept and how the space available will be used.
- An application being made to secure planning permission for museum use (with permission expected to be confirmed to be in place at the 12th December meeting).
- Greater understanding secured of wider development proposals for the site and how timescales for the museum development fit within the wider programme of on-site works.
- Clarification of the overarching process to determine visitor numbers (although the scale and focus of Summer 2018 market research is limited).
- Further development of scheme costings as part of the RIBA Stage 3 development process, providing greater cost surety and allowing exhibition costs to be increased.
- Confirmation secured that the Council will commit to retain the museum for a minimum period of 8 to 10 years, as a condition of funding.

Areas of Ongoing Uncertainty - Although significant progress has been made by the applicant to advance proposals since June 2018, a number of requirements have not been directly or fully addressed through the appraisal and associated clarifications process. It may be that information is held by the client team and that verbal updates can be provided at the December Board but responses have not been shared with the appraiser at the time of preparing this report.

The primary areas where a degree of uncertainty remains are:

- Securing the final elements of the project's funding package, including contributions from the Heritage Lottery Fund and Coastal Communities Fund and ongoing fund raising activity.
- Further understanding of the target market for the attraction in terms of socio-economic groups and age bands and, linked to this, the additionality of visitor numbers to the resort and Lancashire as a whole.
- Confidence regarding visitor demand – based on the latest scheme proposals – from a current non-Blackpool visitor market.



- Greater understanding regarding the extent and nature of interactive exhibitions to be accommodated in the museum (although some further details have been provided since June and this will be an ongoing area of development).
- Ongoing financial sustainability, given the tight operating margin (although the Council has noted that a review of costs is underway – which would, potentially, in turn, impact on levels of direct, indirect and induced employment – and a commitment has been made to under-write the museum’s operations for 8 to 10 years).
- Quantification of the added value of the inclusion of the museum project within the Renewal of Blackpool programme.

It was known at the time of the July 2018 Growth Deal Management Board meeting that some of these points would remain unresolved by this stage in the process, reflecting overall timescales for the project’s ongoing development and delivery. Further progress was however anticipated to have been made on other points as market research, RIBA Stage 3 designs and exhibitions planning has been advanced.

The project’s BCR – even following potential adjustments – also remains below the level typically required for Growth Deal support. Changes to operating assumptions may also impact on the scale of forecast benefits.

Ekosgen Overarching Findings and Considerations

- Based on the information considered, AMUSEUM is not a typical candidate for Growth Deal support. The level of direct economic benefits to be generated is low and induced benefits associated with increased visitor numbers are potentially low in terms of their additionality in an already popular visitor destination. The museum is therefore not – in its own right – a significant generator of additional economic benefits for Lancashire.
- The project does however form an element of wider plans to rejuvenate Blackpool and considerable time and effort continues to be invested in progressing plans. The commitment of Blackpool Council to make the scheme a success – through the commitment of staff time, capital funding and a commitment to under-write ongoing operations for up to 10 years – means that, despite some areas of challenges, the risks to Growth Deal investment are less than they would otherwise be.
- The Growth Deal Management Board will need to take a view on whether they are comfortable to support the project, either in its own right or as an acknowledged element of wider plans to transform the town centre and generate economic benefits, based on the additional information outlined in this update report.
- If the scheme is to proceed, it is recommended that further information be secured as soon as possible against each of the points highlighted as ongoing areas of uncertainty. Agreed timescales for the receipt of information against each point should be set with the applicant, to ensure there is clarity regarding satisfaction of conditions that would be placed on a funding award. Potential



Growth Deal involvement within project governance arrangements would also need to be considered.

Growth Deal Management Board Resolution

The Growth Deal Management Board, at its meeting on 12th December 2018, resolved that a maximum funding approval of £1.500m of Growth Deal funding be recommended to the next meeting of the Lancashire Enterprise Partnership Board subject to the following conditions:

- Securing the final elements of the project's funding package, including contributions from the Heritage Lottery Fund and Coastal Communities Fund and ongoing fund raising activity.
- Further understanding of the target market for the attraction in terms of socio-economic groups and age bands and, linked to this, the additionality of visitor numbers to the resort and Lancashire as a whole.
- Confidence regarding visitor demand – based on the latest scheme proposals – from a current non-Blackpool visitor market.
- Greater understanding regarding the extent and nature of interactive exhibitions to be accommodated in the museum (although some further details have been provided since June and this will be an ongoing area of development).
- Ongoing financial sustainability, given the tight operating margin (although the Council has noted that a review of costs is underway – which would, potentially, in turn, impact on levels of direct, indirect and induced employment
- Confirmation from the applicant to under-write the museum's operations for 10 years).
- Quantification of the added value of inclusion of the museum project within the Renewal of Blackpool programme.
- Provision of the final management/operating structure together with recruitment process, to provide confidence re the delivery of this sector intervention.

Growth Deal Programme Performance Update

The £320.000m Growth Deal programme is delivering in accordance with Lancashire's agreed Growth Deal milestones and Government's reporting requirements.

95% of funds are allocated to 43 projects within the Growth Deal Programme, of which:

- 39 projects (91%) have received a funding approval from the Lancashire Enterprise Partnership;
- 37 projects (86%) have completed contracting; and
- 20 projects (46%) have completed their capital works

The Board is advised that in the Growth Deal 3 allocation, £16.25m was allocated to the South Lancaster scheme. Following discussions with the project applicant it has been identified that this scheme cannot be delivered within the GD programme timescales (by 31st March 2021). As this is a retained scheme, a discussion has taken place with the Department for Transport to conclude how the £16.25m funds can be utilised and it has been confirmed that these funds are no longer retained and can be released into the GD programme for re-allocation.

In addition, there is a further £240,000 currently unallocated within the programme equating to £16.490m in total including South Lancaster.

It is therefore suggested that the Board implements its Reallocation Procedure, in respect of the £16.490m, reviewing existing Growth Deal Priority Schemes. This work will be undertaken by the Growth Deal Programme Manager, in conjunction with the support of independent consultants. The independent consultants will review the existing pipeline of priority schemes which was generated and approved as part of Lancashire's Growth Deal 3 submission. In discussion with scheme sponsors, the consultants will be receptive to the consideration of additional schemes providing they meet the following proposed criteria:

- 1). Can commence delivery immediately and can be completed by 2021;
- 2). Has a complete matched funding package in place;
- 3). Has a compelling strategic fit with the aims and objectives of the Strategic Economic Plan and delivers better value for money than the existing prioritised project.

In addition, LEP Directors are asked to use their own networks to identify any emerging projects which meet the criteria proposed above. The Board is advised that an open call at this stage could result in projects being submitted for consideration which may not fit the requirements of the Growth Deal programme.

The findings of this exercise will be shared with the Lancashire Enterprise Partnership Board at its next meeting to determine next steps in allocation of these funds.

In terms of the four remaining projects to seek Lancashire Enterprise Partnership Approval, the current position is to be noted as follows:

1. AMuseum (formerly Blackpool BHVA (£1.500m Growth Deal) – Seeking a funding approval at this meeting of the Lancashire Enterprise Partnership Board.
2. M55 to St Anne's Link Road (£1.98m Growth Deal) – Due to seek funding approval / recommendation from meetings of Transport for Lancashire and Lancashire Enterprise Partnership in March and April 2019 respectively.
3. Pennine Gateway Programme (£12.000m Growth Deal (£3.44m has been approved)) – There are three projects within the Pennine Gateway programme, all of which will seek separate project funding approvals from Transport for Lancashire and the Lancashire Enterprise Partnership Board:
 - Furthergate Scheme (£3.440m Growth Deal) – This project was approved by the Lancashire Enterprise Partnership Board at its meeting on 26th June 2018.
 - North Blackburn Scheme (£2.300m Growth Deal) – This project was approved by the Lancashire Enterprise Partnership Executive Committee via written resolution on 22nd January 2019 following a funding recommendation made by Transport for Lancashire at its meeting on 16th January.
 - South East Blackburn Scheme (£6.260m Growth Deal) – This project is expected to be presented to meetings of Transport for Lancashire and the Lancashire Enterprise Partnership Board in Oct / Nov 2019.



4. Preston Western Distributor (£58m GD) – The project received conditional approval to proceed to full business case at the January 2018 meeting of the Lancashire Enterprise Partnership Board. A full business case is expected to seek approval at Transport for Lancashire and Lancashire Enterprise Partnership Board meetings in March 2019 and April 2019 respectively.

Growth Deal Cities and Local Growth Unit – Quarter 2 (July to September 2018) 2018/19 Reporting

As part of the governance arrangements for the delivery of the Growth Deal programme, Lancashire County Council in its role as Accountable Body, is required to provide cumulative reporting on the delivery of the Growth Deal programme to the Cities and Local Growth Unit. This is to be provided on a quarterly basis and includes performance against both financial and output metrics for each scheme within the Growth Deal programme.

In October 2017, the Cities and Local Growth Unit issued new guidance which included the requirement for Local Enterprise Partnerships and their Accountable Bodies' S151 Officers to approve the quarterly reporting, prior to its submission to the Cities and Local Growth Unit.

With regards to the quarterly reporting for the period to the end of Quarter 2 2018/19 (1 July 2018 to 30 September 2018), approval is now sought from the LEP Board. The quarterly reporting summary dashboard is attached at Appendix A.

In terms of output delivery, Lancashire's Growth Deal is currently forecast to overachieve its agreed outputs. Original outputs were 3,900 new homes, 11,000 new jobs and 43,829m² of commercial floorspace.

Current forecasts indicate the Lancashire Growth Deal will achieve 3,944 new homes, 11,145 jobs and 80,075 m² of commercial floorspace.

To date we have achieved 96 new homes, 792 new jobs and 3,510 m² of commercial floorspace. We have also achieved 9,424 new learners assisted.

The Board is advised that in terms of measuring performance of the Lancashire Growth Deal against its current objectives, the programme is still in its infancy in relation to realising outputs/outcomes, with significant reporting not expected until towards the end of the programme 2020/21.

However confidence should be felt as 91% of projects within the programme have now received a LEP funding approval in line with their original objectives.

The Board is asked to note that the dashboard identifies a Local Growth Fund award of £226.67m. This number is less than the £320.86m Growth Deal programme allocation, which also includes retained transport schemes and a £26m loan from the Public Works Loan Board to Blackpool Council at a project rate discount of 40 basis points below the standard Public Works Loan Board rate.



List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A

Quarter 2 2018/19 – Cities and Local Growth Unit Quarterly Reporting Submission – Dashboard

LEP Name Lancashire LEP

This Quarter: Q2_1819

Deliverable Progress



Housing	This Quarter	Financial Year						Total
		15-17	17-18	18-19	19-20	20-21	21-25	
Houses Completed	0	20	66	10	0	0	-	96
Forecast for year	0	-	0	0	402	2,813	729	3,944
Progress towards forecast	-	-	-	-	0%	0%	-	2%



Jobs	This Quarter	Financial Year						Total
		15-17	17-18	18-19	19-20	20-21	21-25	
Jobs Created	0	130	76	52	0	0	-	258
Apprenticeships Created*	0	160	233	141	0	0	-	534
Jobs including Apprenticeships	0	290	309	193	0	0	-	792
Forecast for year	313	-	370	312	734	3,349	2,340	7,034
Progress towards forecast	0%	-	84%	62%	0%	0%	0%	11%

* Apprenticeships included within job total prior to 2017



Skills	This Quarter	Financial Year						Total
		15-17	17-18	18-19	19-20	20-21	21-25	
Area of new or improved Housing (m2)	0	17,270	12,787	0	0	0	-	30,057
Forecast for year	12,273	-	19,796	12,273	3,252	0	0	35,321
Progress towards forecast	0%	-	65%	0%	0%	-	-	85%
Number of New Learners Registered	0	1,936	6,368	420	0	0	-	9,424
Forecast for year	1,649	-	5,952	1,649	1,706	9,072	292	18,712
Progress towards forecast	0%	-	105%	38%	0%	0%	-	56%



Transport	This Quarter	Financial Year						Total
		15-17	17-18	18-19	19-20	20-21	21-25	
Length of Road Resurfaced	0	0	2	0	0	0	-	2
Length of Newly Built Road	0	0	2	0	0	0	-	2
Length New Cycle Way	0	6	12	0	0	0	-	18

Project RAG Ratings

Project Name	Previous Quarter		This Quarter		Project Name	Previous Quarter		This Quarter	
	Q1_1819	Q2_1819	Q1_1819	Q2_1819		Q1_1819	Q2_1819	Q1_1819	Q2_1819
Conventry Way Woodcut Maintenance	G	G	G	G	Making Home - Lancashire's First Fab Lab	AG	AG	G	G
Blackburn Town Centre Improvements	G	G	G	G	Mechanical & Electrical Replacement South & Main	G	G	G	G
Frozin City Centre Improvements	G	G	G	G	Routelife Redevelopment Zone	AG	AG	AG	AG
M55 to St Anne's Link Road	N/A	N/A	N/A	N/A	Narthing (formerly Redevelopment of Brierfield)	AG	AG	AG	AG
Blackburn - Bolton Rail Corridor	G	G	G	G	Darwen East Development Corridor	G	G	G	G
Huddersfield - Pendle Growth Corridor	AG	G	G	G	Blackpool Tramway Extension	G	G	G	G
East Lancashire Strategic Cycle Network	G	G	G	G	Advanced Manufacturing Research Centre NW	N/A	N/A	N/A	N/A
Blackpool Bridge	G	G	G	G	Blackpool 21st Century Conference Centre & Hotel	G	G	G	G
Blackpool Ferryway & Traffic Management	G	G	G	G	North West Burnley Growth Corridor	N/A	N/A	N/A	N/A
Binnsom (formerly Blackpool Heritage Bus Hub)	N/A	N/A	N/A	N/A	Lancaster & Carlisle Digital Extension	N/A	N/A	N/A	N/A
Blackpool & Fylde Nautical College - Maritime Extension	G	G	G	G	Frozin Workers Distributor	N/A	N/A	N/A	N/A
Blackpool & Fylde College - Lancashire Energy Hub	G	G	G	G	South Lancashire Housing Growth Initiative	N/A	N/A	N/A	N/A
Flooded Fire Training Centre phase 2	G	G	G	G	Pennine Gateway	N/A	N/A	N/A	N/A
Runcorn College - Science & Engineering	G	G	G	G					
Training 2000 - Additional Engineering Training Centre	G	G	G	G					
Lancaster Health Innovation Campus	G	G	G	G					
Physiotherapy Centre - Farm, Innovation Technology	G	G	G	G					
Holton & Dalton College - Advanced Engineering & 4th Braughton By-pass	G	G	G	G					
The Engineering Innovation Centre	G	G	G	G					
Blackpool & the Fylde College HSE Biopharm Campus	G	G	G	G					
Lancaster Campus Teaching Hub	G	G	G	G					
Edge Hill University - Innovation Technology Hub	G	G	G	G					
Runcorn IT Infrastructure project	G	G	G	G					
Advanced Manufacturing Hospital for Skills and Employment	G	G	G	G					
Blackpool Town Centre Quality Corridor	G	G	G	G					
Burnley Urban Park	G	G	G	G					
Cafe Meritans	G	G	G	G					
Energy Simulator Suite Equipment for Lancashire	G	G	G	G					
Lancashire Centre for Excellence for Digital Tech	G	G	G	G					

Substantial approval by LEP or controlling authority

Growth Deal Performance
G

Approved comments

Financial Progress

LGF Award	2015-16	2016-17	17-18	18-19	19-20	20-21	Total
	£39,350,000	£53,403,418	£44,719,382	£34,856,510	£23,969,020	£30,390,069	£226,679,399

LGF Outlets	This Quarter	Financial Year						Total
		15-17	17-18	18-19	19-20	20-21	21-25	
Actual	£ 5,551,463	£ 59,416,995	£ 29,255,103	£ 16,128,407	£ -	£ -	£ 104,900,585	
Forecast for year	£ 59,416,995	£ 34,400,607	£ 50,219,740	£ 81,941,397	£ 18,724,432	£ -	£ 244,763,171	
Progress towards forecast	17%	100%	85%	32%	0%	0%	43%	

LGF Expenditure	This Quarter	Financial Year						Total
		15-17	17-18	18-19	19-20	20-21	21-25	
Actual	£ 5,551,463	£ 59,416,995	£ 29,255,102	£ 16,128,407	£ -	£ -	£ 104,900,584	
Forecast for year	£ 59,416,995	£ 34,400,607	£ 50,219,740	£ 81,941,397	£ 18,724,432	£ -	£ 244,763,171	
Progress towards forecast	16%	100%	90%	31%	0%	0%	43%	

Non-LGF Expenditure	This Quarter	Financial Year						Total
		15-17	17-18	18-19	19-20	20-21	21-25	
Actual	£ 5,565,481	£ 48,103,605	£ 31,954,403	£ 15,279,974	£ -	£ -	£ 95,338,063	
Forecast for year	£ 44,302,424	£ 48,103,605	£ 31,797,111	£ 44,202,424	£ 43,066,338	£ 10,964,741	£ 178,234,219	
Progress towards forecast	19%	100%	100%	34%	0%	0%	53%	

Total LGF + non-LGF Expenditure	This Quarter	Financial Year						Total
		15-17	17-18	18-19	19-20	20-21	21-25	
Actual	£ 11,116,944	£ 107,520,600	£ 61,209,505	£ 31,408,381	£ -	£ -	£ 200,238,647	
Forecast for year	£ 103,719,418	£ 107,520,600	£ 64,271,716	£ 96,592,164	£ 125,007,735	£ 29,689,172	£ 422,997,390	
Progress towards forecast	10%	+100%	+95%	+33%	+0%	+0%	47%	

Contractual Commitments (manual entry)

	15-17	17-18	18-19	19-20	20-21	Total
Forecast	£ 105	£ 49	£ 36	£ 35	£ 18	£ 243
Actual	£ 105	£ 49	£ -	£ -	£ -	£ 154
Variance	+0%	+0%	-100%	-100%	-100%	-37%

Commentary

Section 151 Officer Approved

Name: Neve Ridgeall
 Signature:
 Date: 18/11/18



Lancashire Enterprise Partnership Limited

Private and Confidential: No

Date: Monday, 11 February 2019

Lancashire Enterprise Partnership Operational Budget 2018/19 - Update Report

Appendix 'A' refers

Growing Places Fund Appendix 'B' (Exempt) refers

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

Executive Summary

This report presents to the Lancashire Enterprise Partnership Board an update on its Operational Budget for 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).

In addition, the report provides an overview of progress made towards establishing an Urban Development Fund for Lancashire including an update on the proposed options to manage the delivery of the Urban Development Fund and the Board's approval to use up to £750,000 to support fund management costs.

Recommendation

The Lancashire Enterprise Partnership Board is asked to:

- (i) Consider and approve the Lancashire Enterprise Partnership's Operational Budget position for 2018/19;
- (ii) Note the balance statement for the Lancashire Enterprise Partnership's Growing Places Investment Fund; and
- (iii) Approve the use of a full service fund manager to develop and deliver a Urban Development Fund for Lancashire.

Background and Advice

This report presents an update on the delivery of the Lancashire Enterprise Partnership's Operational Budget for 2018/19. It also provides a balance statement for the Lancashire Enterprise Partnership's Growing Places Investment Fund.



Operational Budget 2018/19 Update

At its meeting in November 2018, a revised 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.

The Transitional funding from Government has also been received and is to be fully spent by March 2019.

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

Key areas of reduced expenditure are:

- The Strategic Economic Plan has been superseded by the Local Industrial Strategy and therefore the budget line for this activity has been amended to include the consultation and further evidence gathering previously contained within the Business Growth and Innovation activity budget. The overall budget for activity in this area has decreased by £10,000 though this activity will be included in the Lancashire Enterprise Partnership's Business Plan for 2019/2020. The Business Plan for 2019/20 will include a detailed operational budget.
- The budget identified for Preston Railway Commercial Masterplan Development has been proposed to be funded by alternative sources other than the Lancashire Enterprise Partnership, which is a saving of £150,000
- The budget for Investment Coordination has been removed from the current budget as there will be no spending on this budget line. The activity will be reviewed and included within the Business Plan for 2019/20. This is a £40,000 reduction in the budget.
- The Investing in Growth and Key Sector Support has been reduced to reflect work done on the Inward Investment website. Further work relating to Inward Investment activity will be undertaken but this will be included in the Business Plan for 2019/20. This is a saving of £35,000
- This represents a decrease in overall expenditure of £235,000

Key areas of additional expenditure are:

- Additional resource of £75,000 has been included to ensure short term capacity is available to support the Core Team in delivering its activities
- The budget for Business Case appraisals for Growth Deal projects has increased by £80,000 due to Transport for Lancashire assurance costs being



included in the budget. These costs are for two elements of the Pennine Gateways Scheme; Furthergate and North Blackburn Growth Deal.

- The budget for Project Eric has increased to £400,000. This figure includes an additional £250,000 as part of a £1,000,000 funding requirement for the next phase of work on the project. The additional funding request is the subject of another report elsewhere on this agenda.
- The External Support for Enterprise Zone Masterplan delivery and legal support has increased by £150,000 to cover additional fees to ensure that the Advanced Manufacturing and Research Centre for the North West is delivered in the relevant timescales
- £200,000 has been received from Government to assist with the implementation of the recommendations in the LEP Review.
- These additional items of expenditure represent an increase to the overall budget of £755,000.

Update on Expenditure:

- It was reported at the November board that 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. This position has not changed and will be included in the 2019/2020 budget as part of the Business Plan.
- The development of Lancashire's Local Industrial Strategy is currently underway and it is expected that public engagement will commence in Quarter 4 and will last through to summer 2019. As a result the budget some budget will carry over to the next financial year with additional budget identified also.
- Preston Railway Study has been commissioned and is due for completion before the end of Quarter 4.
- The City of Culture activity is on-going and therefore the budget is to be retained to support future activity though the Board will be updated on this area of activity..
- Growing Places Investment Fund Evaluation will now take place in Quarter 4.
- M65 Growth Corridor Study is intended to be spent this financial year in support of the development of the evidence base for the Local Industrial Strategy.
- External support for the EZ Masterplan delivery and legal support will be spent by the end of the year, with activity having been commissioned in the form of dedicated project management and the commission of external lawyers to produce the agreement for lease between the county council (in line with the land agreement between the county council and BAE Systems' Pension Fund) and the University of Sheffield (on behalf of the Advanced Manufacturing Research Centre)
- The budget with regards to marketing and communication will be revised in the next financial year and it is proposed to enter into a Service Level Agreement with Marketing Lancashire for some of this activity.



The last budget presented to the Board in November 2018 had an overall forecast expenditure of £1,771,307 for the year. This has now increased, for the reasons given above by £520,000 to £2,291,308.

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 submitted its bid for a maximum of £200,000 Transition Funding and the funding has now been received. The budget for this funding is included in the figures presented.

Growing Places Investment Fund

There are currently four live schemes which have drawn funds to the value of £4,642,423. There is a further £4,621,888 available to draw under the terms of the loans which includes up to £750,000 that has been made available to support the delivery of a Lancashire Urban Development Fund.

There is outstanding capital on one scheme totalling £1,214,311 and another 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.

It is anticipated that one scheme will be repaid by the end of the financial year with a further scheme in the pipeline. There are two schemes in the pipeline totalling, £2,000,000

This leaves £ 4,638,381 available to invest.

The interest received from invested funds to date net of costs to support LEP core staff is £147,098 and there is interest due on the outstanding loans of £1,673,968. It is anticipated that we will receive £500,000 in interest on one loan which was the subject of an Executive Committee decision.

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

Update on the Urban Development Fund application to the Ministry of Housing, Communities and Local Government.

At the meeting of the Board on 26 June 2018 the Lancashire Enterprise Partnership approved the use of up to £750,000 of Growing Places funding to support the development of a Lancashire Urban Development Fund.



It was anticipated that these funds would be recovered using the interest from the repaid loans. The Ministry of Housing, Communities and Local Government were aware of this proposal and it was assumed that they were content with it. However it has since transpired that they would be unhappy with such arrangement as the Lancashire Enterprise Partnership would effectively be lending the money to the fund and they do not consider that this would be eligible expenditure. One potential solution, identified by Blue Sky, could be to set up the Lancashire Enterprise Partnership as a limited partner alongside the County Council in the structure when establishing the UDF. However this requires further understanding, advice, and agreement with the County Council. Discussions are ongoing as to the detailed operation of the fund and this issue will be raised for due consideration.

At the Board meeting, consultants Blue Sky, presented options to deliver the Urban Development Fund either through appointing a Full Service Fund Manager (Option 1) or using an in house fund management team supported by external professional support (Option 2). Option 2 was approved by the Board.

At Lancashire County Council's Cabinet meeting on 3 December 2018, Cabinet approved the making of applications to be an Entrusted Entity for an Urban Development Fund on the condition that Option 1, a full service fund manager, was used and that final approval will be presented to Cabinet on 7th March. The reason for the approval of Option 1 was because legal opinion sought on the risks around the scheme highlighted that the risks could be reduced using Option 1. Another condition of the approval was that all costs would be recovered from the Lancashire Enterprise Partnership.

In order to bring approvals in line and to proceed with the applications the Lancashire Enterprise Partnership is asked to approve Option 1 and the use of up to £750,000 to support the delivery of this option for the fund manager, circa £500,000 and legal fees for Lancashire County Council

As county council offers prepare the necessary reports for the county council's Cabinet on the 7th March it may be necessary to update the Board on these matters.

Financial Implications

The financial implications of the Urban Development Fund cannot be given with any certainty at this time as there is still due diligence to do on behalf of the Accountable Body in relation to the Entrusted entity role and the delivery vehicle to be adopted. Work is currently underway by officer in relation to this and will be reported to future meetings and the financial implications can then be determined.



List of Background Papers

Paper	Date	Contact/Tel
None		

Reason for inclusion in Part II, if appropriate

Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. The report 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 Budget	2018-19 Actuals to dec 18	2018-19 Variance
Income			
DCLG income - strategic	250,000	250,000	-
DCLG income - core	250,000	250,000	-
LCC match to realease core funding	250,000	250,000	-
Transition Funding	200,000	200,000	-
Total Income	<u>950,000</u>	<u>950,000</u>	<u>-</u>
Expenditure			
<i>Staffing</i>			
Salary expenditure taken directly out of reserves in 2018/19 budget	161,545	161,545	
LEP core staff	240,967	42,865	- 198,102
LEP contribution to Skills Hub staff	79,841	22,549	- 57,291
Additional temporary staffing for administration, finance and EZ capacity	75,000		- 75,000
	557,353	226,959	- 330,393
<i>Core Running Costs</i>			
Running costs estimate	25,000	22,798	- 2,202
	25,000	22,798	- 2,202
<i>Studies and appraisals</i>			
Production of Local Industrial Strategy and consultation	100,000		- 100,000
Business case appraisals Growth Deal	130,000	127,949	- 2,051
Preston Railway Station Study	50,000	28,375	- 21,625
City of Culture	100,000	8,177	- 91,823
Urban Development Fund	35,000	25,375	- 9,625
Growing Places Investment Fund Evaluataion	20,000		- 20,000
Investing in growth and key sector support	30,500	15,500	- 15,000
M65 Growth Corridor Study	30,000		- 30,000
Project Eric	400,000	150,000	- 250,000
Cultural study	40,000	25,918	- 14,082
External Support - EZ Masterplan and delivery and legal support	350,000	5,527	- 344,473
	1,285,500	386,821	- 898,679
<i>Marketing & communications</i>			
General marketing activity est	155,000	145,566	- 9,434
Proposed additional posts digital & marketing activity	60,000	43,721	- 16,279
EZ branding marketing comms etc	52,000	56,290	4,290
	267,000	245,577	- 21,423
<i>Professional Fees</i>			
Dedicated Legal Support	75,000	53,163	- 21,837
Contribution to LCC Democratic Services	43,000	53,163	- 43,000
	118,000		- 64,837
<i>Transition Budget</i>			
Transition board director	30,000		- 30,000
Recruitment of chair	19,000	19,000	-
Consultation, communication with stakeholders	6,000		- 6,000
Legal advice	40,000		- 40,000
Financial advice	40,000		- 40,000
IT Infrastructure	20,000		- 20,000
Accomodation	35,000		- 35,000
Coaching and development for board members	7,500		- 7,500
Coaching and development for core staff	2,500		- 2,500
	200,000	19,000	- 181,000
Total Expenditure	<u>2,452,853</u>	<u>954,318</u>	<u>- 1,498,534</u>
Net P&L	<u>- 1,502,853</u>	<u>- 4,318</u>	<u>1,498,534</u>
Reserves			
LEP account balance brought forward, including Growing Places interest	2,580,299	2,580,299	
	2,580,299	2,580,299	
Balance of P&L above	- 1,502,853	- 4,318	
Total LEP funding available	1,077,447	2,575,981	

(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

Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: Monday, 11 February 2019

Update on Recruitment of LEP Chair and Directors

Report Author: Graham Cowley; grahamcowley15@gmail.com

Executive Summary

This report summarises progress made since the December LEP Board meeting regarding recruitment of the LEP Chair and 2 new LEP Directors.

Recommendation

The Lancashire Enterprise Partnership Board is asked to:

- (i) Note progress made with regard to recruitment of the LEP Chair.
- (ii) Note the decision of the LEP recruitment panel and approval of the company member to appoint 2 new LEP Directors.

Background and Advice

1. Introduction

1.1 On 12th December 2018, following extensive consultation with the business community and other stakeholders, the LEP Board approved the job description for the Chair of the LEP for use in the ongoing recruitment process. The LEP Board report in November outlined a recruitment programme that targeted the recruitment of a new LEP Chair by April 2019.

1.2. The LEP Board was also updated on the recruitment process for two new LEP Directors and advised that interviews would take place in January 2019.

2. LEP Chair recruitment progress

2.1 The recruitment consultants Proventure were commissioned in December and the search process began in accordance with the programme previously reported.

2.2. An initial briefing meeting was held with the Transition Director and Head of LEP Co-ordination followed by discussions with MP's, the LEP Chair, ex-Chair and other key stakeholders to give the consultants a wider perception of the LEP and role of



Chair, as well as seeking views on potential candidates from existing networks. That process is now complete and the search stage commenced on programme at the beginning of February following final tweaks to the recruitment pack and website. Disappointingly, no female candidates were highlighted during the extensive stakeholder consultations.

2.3. A long list of candidates will be finalised by mid March with preliminary interviews to be carried out by the end of March and the shortlist produced. Final interviews to be held by 18th April and the recruitment decision reported to the LEP Board meeting on 30th April.

2.4 With regard to the advertised time commitment and potential remuneration the advice of our consultants, taking account of stakeholder input, is to leave the commitment at 5 days per month, and not to remunerate the role but be open to providing a compensatory payment to the candidate's employer should that assist in attracting the best person.

3. Recruiting two additional LEP Directors

3.1 Directors are requested to note that the recruitment of two additional Directors- one with the skills and experience to be the SME Champion and another to represent the area of Skills and Technical Education- continued in January. Interviews were carried out by a panel comprising the LEP Chair, the Leader of LCC, and another LEP Director.

3.2 The decision of the panel, ratified by the company member, will be reported orally to the Board meeting.

3.3 The Chair will introduce the two new Directors to the Board at this meeting.

List of Background Papers

Paper	Date	Contact/Tel
LEP Chair Draft Job Description and Person Specification - result of public consultation	12 th December 2018	Graham Cowley / grahamcowley15@gmail.com

Reason for inclusion in Part II, if appropriate

N/A

Agenda Item 16

(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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Agenda Item 18

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Agenda Item 19

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Agenda Item 20

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