

Lancashire Enterprise Partnership Limited Board

Minutes of the Meeting held on Tuesday, 7th November, 2017 at 4.30 pm at the Committee Room 'D' (The Henry Bolingbroke Room) - County Hall, Preston

Present

Edwin Booth (Chairman)

Graham Cowley	Mick Gornall
Ann Dean	Councillor Peter Mullineaux
County Councillor Geoff Driver CBE	Councillor Phil Riley
Richard Evans	Professor Mark Smith
Dave Holmes	David Taylor
Dennis Mendoros	Councillor Mark Townsend

In Attendance

Jo Ainsworth, Specialist Advisor Finance, Lancashire County Council
Brian Bailey, Director of Planning & Prosperity, Blackburn with Darwen Borough Council
Paul Evans, Department for Business, Energy and Industrial Strategy
Andrew Good, Head of Service Financial Management, Lancashire County Council
Neil Jack, Chief Executive, Blackpool Council
Martin Kelly, Director of Economic Development, Lancashire County Council
Heather McManus, Chief Executive, South Ribble Borough Council
Andy Milroy, Senior Democratic Services Officer, Lancashire County Council
Kathryn Molloy, Head of Service LEP Coordination, Lancashire County Council
Councillor Peter Rankin, Leader, Preston City Council
Councillor Ivan Taylor, Blackpool Council

1. Welcome and Apologies for Absence

The Chairman, Edwin Booth, welcomed all to the meeting. Apologies for absence were presented from Mike Blackburn, Jim Carter and Councillor Simon Blackburn.

The following Observers were welcomed to the meeting – County Councillor Michael Green (Lancashire County Council), Councillor Ivan Taylor (Blackpool Council), Councillor Peter Rankin (Preston City Council) and Paul Evans (Department for Business, Energy and Industrial Strategy).

2. Minutes of the meeting held on 29th June 2017

Resolved: That the minutes of the Board meeting held on 29th June 2017 be approved as an accurate record and signed by the Chairman.

3. Matters Arising

None

4. Declarations of Interest

Councillor Mark Townsend declared an interest in Item 8 – Northern Cultural Regeneration Fund as it contained a proposal relating to a project in the Burnley area. It was approved by the Board that Councillor Townsend could remain for this item but would not be able to vote on this item.

David Taylor had a general declaration for recording on the general Register of Directors Interests in that a company he has an interest in taking some business advice from Boost. As there were no specific Boost items on the agenda it was approved that David could remain for all items with the general Register of Interests updated accordingly.

5. LEP Governance and Committees Decisions Report

Andy Milroy, Senior Democratic Services Officer, Lancashire County Council, presented a report (circulated) which provided the Board with an update from each of the recent LEP Committee meetings.

It was highlighted that in addition to the updates there were separate reports relating to the Growth Deal Programme and Skills and Employment activities elsewhere on the agenda.

In addition, the report presented a copy of the 'Review of Local Enterprise Partnership Governance and Transparency' it was highlighted that the Lancashire LEP had met or exceeded the requirements of the review.

It was noted that the LEP's 3rd Annual Conversation was scheduled to take place on 27th November 2017.

Resolved: The LEP Board noted the updates provided in the report in relation to the Committees of the LEP, the findings of the Review of Local Enterprise Partnership Governance and Transparency, and, that the LEP's 3rd Annual Conversation would be held on 27th November 2017.

6. LEP Innovation Plan - Update on Progress

Andy Walker, Head of Service – Business Growth, Lancashire County Council, presented a report (circulated) which provided the LEP Board with an update on progress made to date in preparing the Innovation Plan.

It was highlighted that the process of developing a new Plan will conclude by the

end of the year and that the LEP Board's input is welcome to ensure that the evidence and asset register is correct and forms a basis for promoting the better use of resources with a suggested framework circulated at Appendix 'A' to the report.

In addition, it was highlighted that the suggested framework was split into 5 Strategic Aim's – Innovation Capability – Staying Ahead, Innovation Capability – Routeways to Excellence, Innovation Ecosystem – Building Resilience, Innovation Ecosystem – Letting the World Know and Innovation Ecosystem – Enabling Infrastructures for Innovation.

The LEP Board noted that the next steps were for LEP Officers, working with SDG Economic Development, to refine the draft Strategic Framework. This will be checked and challenged through a series of calibration calls with key Lancashire stakeholders. The project will then move onto its action planning phase, when existing and pipeline actions will be mapped and gaps identified.

An Action Planning Workshop will be held in late November, where the revised final draft Framework will be presented and actions considered. LEP Directors will be invited to attend the Action Planning Workshop as appropriate.

In addition, it was noted that the final draft Innovation Plan will be submitted to the LEP Board meeting in January 2018 for comment and approval.

Resolved: The LEP Board:

- (i) Noted the progress made to date in preparing the Innovation Plan; and
- (ii) Welcomed the engagement of industrial and education partners in the development of the Innovation Plan, and encouraged their continued involvement at a senior level to help ensure agreed priorities are aligned and supportive of their own organisational plans.

7. Update from the Lancashire Skills & Employment Board

Amanda Melton, Chair of the Lancashire Skills and Employment Board and Michele Lawty-Jones, Director of Lancashire Skills Hub, presented a report (circulated) which provided the LEP Board with an update on the recent work of the Lancashire Skills and Employment Board.

It was highlighted that key activities undertaken by the Skills and Employment Board were regarding Careers Education, Information, Advice and Guidance (CEIAG) with the Lancashire Enterprise Advisor Network beginning to roll out across the whole of the Lancashire area, following an initial pilot in Burnley and Blackburn with Darwen.

The European Structural Investment Fund (ESIF) programme continues to be delivered, however the level of ESF management information provided by the Managing Authority, the Department for Work and Pensions (DWP), continues to

be a concern, and was raised again at the ESIF Committee in September. A recent meeting between the national LEP Network and DWP officials raised similar issues.

A key focus has been the implementation of the Lancashire Skills Escalator which invests in youth and enables access to employment and employee skills support.

With regard to Growth Deal Skills Capital, 16 projects that were approved are now in delivery and are being monitored by the Growth Deal Programme Team. A number have completed the capital phase and outputs are now being monitored. Projects are progressing and all are currently RAG rated as green.

In addition, it was reported that the evidence-base that was established towards the end of 2015 to support the development of the Lancashire Skills and Employment Strategic Framework was currently being refreshed.

Finally, as referenced in the Industrial Strategy Green Paper, the Department for Education (DfE) are developing criteria for the proposed Institutes of Technology (IoT). The latest information suggests that the IoT will be designed to raise the prestige of technical education – as a credible high quality alternative to academic routes.

The Chairman, Edwin Booth, commented that a review was being undertaken to also incorporate Innovation into Skills, Employment and Business Support to be more outward looking. This review could result in combining some of the LEP Committees to form a new Committee that focuses on all of these areas.

Resolved: The LEP Board:

- (i) Noted the contents of the report.
- (ii) After providing feedback, agreed that the Lancashire Skills and Employment Board should further develop a Technical Education Vision for Lancashire; and
- (iii) Noted the Chairman's comments regarding the review of LEP Committees and the incorporation of Innovation into a LEP Committee.

8. Northern Cultural Regeneration Fund

Andy Walker presented a report (circulated) regarding the Northern Cultural Regeneration Fund (NCRF).

It was noted that the NCRF is a £15m Government fund open to all 11 LEPs within the Northern Powerhouse. The NCRF intends to make three or four large capital grants over the next three years of around £3m-£4m each. Decision on these grants will be made by April 2018.

It was highlighted that following a shortlisting process three proposals have been shortlisted for Lancashire – **Amuseum** (Blackpool), **Locus** (Burnley) and **Lancaster Arts Hub**.

The LEP Board debated the merits of all three schemes, and whilst all three were very good proposals worthy of being submitted, agreed with the recommendation contained in the report that **Amuseum** should be selected as the LEP's priority NRCF submission.

Resolved: The LEP Board:

- (i) Noted the contents of the report and the findings of the independent appraisal by Regeneris Consulting contained within Appendix 'A' to the report.
- (ii) Endorsed the Amuseum proposal as the LEP's priority NRCF submission, subject to the scheme sponsor agreeing in their final submission to address the improvement issues identified in the independent appraisal.
- (iii) Noted the strategic potential of the Locus proposal and agreed to work with the scheme sponsor and local partners, as part of a wider place-based growth framework, to support the development of the emerging business-case with Government and relevant national funding bodies; and
- (iv) Agreed to provide a budget of up to £40,000 from the LEP's Operational Budget for 2017/18, to develop a strategic framework to prioritise and maximise the impact of the cultural schemes and opportunities as economic catalysts as part of agreed place-based strategies.

9. Planning for the Right Homes in the Right Places: Consultation Proposals – Response of the Lancashire Enterprise Partnership

Kathryn Molloy, Head of Service LEP Coordination, presented a report (circulated) which provided the LEP Board with an update on the Government consultation regarding Planning for the Right Homes in the Right Places.

It was noted that the White Paper "Fixing Our Broken Housing Market" was published on 7th February 2017 and set out proposals to tackle the housing challenge the country faces. This focused on four main areas of action:

- Planning for the right homes in the right places
- Building homes faster
- Diversifying the market
- Helping people now.

The White Paper also stated that further consultation on specific issues would follow. This consultation was published on 14th September 2017 and set out those specific issues and sought view on changes to national policy.

A proposed consultation response was prepared on behalf of the Lancashire Enterprise Partnership and Preston, South Ribble and Lancashire City Deal Partners as attached at Appendix 'A' to the report.

The LEP Board welcomed the opportunity to respond to the current consultation proposals. It was noted that the response focused on the strategic matters arising from the proposed approach to a standard method for calculating housing need and improving how local authorities work together to meet housing and other requirements across boundaries.

Resolved: The LEP Board

- (i) Approved the proposed response, attached at Appendix 'A', on the basis that reference to growth areas in Lancashire within the response was widened to capture locations across the County and not just reference to the City Deal footprint; and
- (ii) Approved the submission of the response to Government by the 9th November 2017 deadline.

10. Lancashire European Structural and Investment Fund (ESIF) programme - Update on Performance and Future Planning

Sean McGrath, External Investment and Funding, Lancashire County Council presented a report (circulated) which updated the LEP Board on the Lancashire European Structural and Investment Fund (ESIF) Programme.

ESIF

It was highlighted that the Lancashire ESIF Committee has overseen a number of calls across a range of activities since the ESIF programme was launched. At the time of writing £95m has been contracted, another £30m of projects is currently in appraisal, with up to £50m of calls planned to be issued in November 2017. This leaves approximately £47m of funds (21% of the programme total) possibly 'at risk' if not committed to projects prior to Brexit (March 2019).

Two key risks to the delivery of Lancashire's ESIF programme are delays in future calls, thereby not giving enough time before BREXIT for projects to be approved and delivered, and the availability of match-funding to support new project ideas and the continued delivery of programme outputs. These are in addition to ensuring that projects spend to financial profile to ensure that all funds are spend as planned.

ESIF Committee officers are engaged with Managing Authorities to ensure that local priority activity is identified for calls as soon as possible. However, given that the project calls schedule is being driven by national considerations and Managing Authority capacity, as opposed to local requirements, there may well continue to be a mismatch between local need for calls and the national position. However, where appropriate, call information is ready locally to ensure calls can

be issued by Managing Authorities as soon as they give the go ahead.

ESF

For ESF, it was highlighted that there is £13m of ESF resources that were originally allocated to the ESFA (from the original £40m allocated) still be to be committed. Due to issues regarding the future of the former Skills Funding Agency, only £27m of the original £40m was contracted for delivery until March 2018. As yet it is still not certain whether the ESFA will be able to continue delivery post March 2018 and if not whether other match-funding will be made available.

EAFRD

Regarding the EAFRD programme all resources will be included in calls to be issued by December 2017. There will not be a local Rural Broadband call as the Government have issued a national call with a deadline of May 2018. Only those organisations currently leading on the delivery of Superfast Broadband, the County Council in the case of Lancashire, are eligible to bid. Early discussions have already started with Districts on eligible areas with regard to support for rural businesses.

Key forward planning issues were also reported to the Board, as set out in the report.

Resolved: The LEP Board noted the contents of the report, including current commitment levels and planned future activity. In particular the Board considered and noted:

- (i) The overall performance of the ESIF programme;
- (ii) The issues related to the European Social Fund (ESF), as detailed in paragraph 2.3 (in the report); and
- (iii) The broader issues related to the future of the ESIF programme and the need to plan for a successor programme(s) as highlighted in Section 3 (of the report).

11. Strategic Marketing and Communications Activity Update

Ruth Connor, Chief Executive, Marketing Lancashire presented a report (circulated) which contained an update on recent Strategic Marketing and Communications Activities relating to the LEP.

The update included feedback on the LEP presence at the Insider Business of Lancashire Conference, the Paris Airshow and MIPIM UK. Updates on Skills and Training publicity, Place North West Transport Summit, City Deal communications, Northern Powerhouse engagement, Growth Deal Communications and forthcoming PR opportunities and milestones.

Resolved: The LEP Board:

- (i) Noted the report, and
- (ii) Noted that the Chief Executive of Marketing Lancashire, as the LEP's Media, Communications and PR lead, continues to provide regular updates to the LEP Board on strategic marketing and communications activity and outputs.

12. Any Other Business

The Chairman reported that LEP Director Richard Evans would be stepping down before the next LEP Board meeting to be held in January 2018 and wished to place on record his thanks and best wishes to Richard for his hard work on the LEP Board and Chairmanship of the LEP Performance Committee.

It was noted that discussions were taking place with KPMG to identify a "like for like" replacement for Richard.

The LEP Board also thanked Richard and wished him well for the future.

13. Date of Next Meeting

The LEP Board noted that the next Board meeting is scheduled for Tuesday 30th January 2018, 4:30pm in Committee Room 'D' – The Henry Bolingbroke Room, County Hall, Preston.

Part II (Private and Confidential)

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

14. Establishment of an Urban Development Loan Fund for Lancashire Using European Structural and Investment Funding

Kathryn Molloy presented the report (circulated) regarding the Establishment of an Urban Development Loan Fund for Lancashire Using European Structural and Investment Funding.

Initially it was suggested that the proposed Investment Strategy be developed by the end of December 2017 so that it can inform the completion of a full application, with the full application presented to the next LEP Board meeting in January 2018 for approval.

It was agreed by the LEP Board that it wasn't necessary to wait until the January 2018 LEP Board meeting and that should the proposed Investment Strategy be drawn up earlier and that, if necessary, the LEP Executive Committee be asked to approve it.

Resolved: The LEP Board:

- (i) Approved the development of an Urban Development Fund (UDF) for Lancashire.
- (ii) Authorised LCC and LEP officers, under the guidance of the Directors for Economic Development and Financial Resources at Lancashire County Council, to liaise with the Department for Communities and Local Government, the Managing Authority for ESIF, to develop a full application to establish a UDF for Lancashire.
- (iii) Agreed that, if necessary, the LEP Executive Committee approve the application, prior to the LEP Board meeting in January 2018 with any decision by the Executive Committee reported to the LEP Board meeting in January 2018.
- (iv) Requested that LEP officers commence detailed discussions with Lancashire County Council, as the Accountable Body for the LEP, with regard to securing LCC approval to act as the lead applicant and Accountable Body for the UDF; and
- (v) Approved a maximum sum of £20,000 from the LEP's 2017/18 Operational Budget to support the appointment of consultants to develop the Investment Strategy for Lancashire's proposed UDF.

15. Growth Deal Programme Update and Project Funding Approval

Kathryn Molloy and Graham Cowley presented a report (circulated) seeking a funding approval from the Board for the proposed Advanced Manufacturing Research Centre (AMRC) NW project which has secured a £15m funding allocation from Lancashire's Growth Deal. The report also provided the Board with updates in respect of three other Growth Deal schemes, namely Blackpool Tramway Extension, Preston Western Distributor (PWD) and the Health Innovation Campus (HIC).

Resolved: The LEP Board:

- (i) Noted the contents of the report.
- (ii) Approved a conditional funding allocation of up to £15M to the AMRC NW project subject to:
 - Confirmation of ESIF revenue funding to enable the project to be operational;
 - Establishment of a governance structure which provides for the LEP to

- be a long-term strategic partner with the AMRC;
- Establishment of formal partnerships between AMRC NW and Lancashire HE providers;
- Procurement of the scheme to be shared with Lancashire County Council, as Accountable Body for the LEP, to ensure value for money and deliverability with any cost overruns to be met by the scheme sponsor;
- Conclusion of a land agreement between Lancashire County Council and Sheffield University in respect of land at Samlesbury Enterprise Zone; and
- Approval of a further £5M of Growth Deal funding to the project to support the delivery of the preferred option, subject to the recommendation of the Growth Deal Management Board following its December meeting.

- (iii) Authorised the LEP's Executive Committee via written procedure to approve a funding allocation up to a maximum of £16.4M for the Blackpool Tramway Extension project subject to the recommendation of Transport for Lancashire.
- (iv) Noted the position in respect of the Preston Western Distributor project and request that a further update is provided to the meeting of the LEP Board in April 2018.
- (v) Noted the position in respect of the Health Innovation Campus project and request that a further update is provided to the next meeting of the LEP Board in January 2018; and
- (vi) Noted the key findings of the first Interim Evaluation Report of Lancashire's Growth Deal which were attached at Appendix 'A' (to the report).

16. Appointment of a new LEP Director

The Chairman, Edwin Booth, presented a report (circulated) containing detailed information regarding a proposed new LEP Director.

Resolved: The LEP Board supported the appointment of Mark Rawstron as a LEP Director and requested that the company Member approve his appointment as a LEP Director.

17. BAE Update

Dave Holmes, BAE Systems and LEP Director, provided the LEP Board with a verbal update on recent developments at BAE Systems.

Resolved: The LEP Board noted the update provided.