

LEP - Growth Deal Management Board

Minutes of the Meeting held on Wednesday 4th March 2020 at 1.30pm at the Exchange Room 8 - The Exchange - County Hall, Preston

Present

Michael Ahern
Alan Cavill
Beckie Joyce
Martin Kelly

Dr Michele Lawty-Jones
Gareth Smith
Julie Whittaker

Observers

Paul Evans, Department for Business, Energy and Industrial Strategy

In Attendance

Jo Ainsworth, Principal Accountant – Capital & LEP, Lancashire County Council
Steve Burns, Head of Service Strategic Development, Lancashire County Council
Anne-Marie Parkinson, LEP Investment Programme Manager, Lancashire County Council
Holly Tween, Democratic Services Officer, Lancashire County Council

1. Welcome and Apologies for Absence

Michael Ahern, Interim Chair, welcomed everyone to the meeting and introductions were made by all in attendance.

Apologies had been received from Julia Johnson and Katherine O'Connor.

2. Declaration of Interests

Alan Cavill declared an interest in item 9, specifically in the Blackpool Airport EZ and Blackpool Conference Centre projects.

Michael Ahern declared an interest in item 9, specifically in the EIC Drone Command Centre project.

Martin Kelly declared an interest in item 9, specifically in the Blackburn with Darwen Borough Council led projects and the Lomeshaye project.

Julie Whittaker declared an interest in item 9, specifically in the Pendle Borough Council led projects.

3. Minutes of the meeting held on 13 November 2019

Resolved: that the minutes of the meeting held on 13 November 2019 be approved as an accurate record and signed by the Chair.

4. Matters Arising

There were no matters arising that were not on the agenda.

5. Reporting to Lancashire Enterprise Partnership Board

Resolved: that at the next meeting of the Lancashire Enterprise Partnership Board it should be reported that:

1. Officers are commencing re-payment processes for Phase 1 of the Spinning Point project, and that the balance for Phase 2 would be returned to the programme for reallocation
2. The allocation of £0.800m to the Blackpool Airport Enterprise Zone project is recommended
3. That, once funds become available, the allocation of £1.341m to the EIC Drone Command Centre project is recommended

6. Any Other Business

There was no other business.

7. Date of Next Meeting

The next meeting was scheduled to be held at 1.30pm on Wednesday 03 June 2020 in Exchange Room 9, County Hall, Preston.

8. Exclusion of the Press and Public

At this point the Growth Deal Management Board approved that the meeting move into Part II, Private and Confidential, to consider the remaining agenda items 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 circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

9. Growth Deal Programme and Project Update Report

Anne-Marie Parkinson, LEP Investment Programme Manager, presented the programme and project update report.

It was noted that at the LEP's Annual Performance Review in early January 2020 the element in relation to the delivery of the Growth Deal programme had received a provisional rating of 'good'. The committee thanked the team for their hard work.

Five grant funding agreements were presented for approval and, after discussion and questions on each, the Committee agreed to approve all five as presented. It was also noted that up to five further Grant Funding Agreements were expected to be circulated to the Committee for approval via written resolution over the next month.

The Committee received an update on the M55 St Annes Link Road and was informed that an issue had arisen in relation to the funding of the project. It had since been agreed in consultation with the Chairman of the LEP Board that the final deadline was 20 March 2020 after which time the project funding would be returned to the Growth Deal and considered unallocated.

With regard to the Lomeshaye Industrial Estate Extension Phase 2 project it was reported that due to a change of circumstances the project was unable to continue. Reduced or amended schemes had been considered, but after collaborative discussion it had been concluded that the project could not proceed. However, as the site was considered to have key strategic value it was suggested that consideration be given to reallocating funding from Phase 2 of the project to Phase 1, with any remaining balance being allocated to the Northlight Call Centre, both projects being deliverable in that area by March 2021.

It was further reported that Phase 2 of the Spinning Point project was unable to proceed and as the business case assurance advised that in order for the project to represent VFM and meet the Growth Deal strategic objectives both phases must be delivered, it would be necessary for the Phase 1 grant paid against the project and the balance for Phase 2 to be returned to the programme for reallocation.

The Committee discussed current unallocated funding and considered a list of pipeline schemes (tabled at the meeting) the top three of which were considered deliverable by the March 2021 deadline.

As Michael Ahern was conflicted on the EIC Drone Command project and Alan Cavill was conflicted on the two Blackpool projects under discussion, both left the room at this point.

Having considered in detail a list of pipeline projects the Committee agreed to approve the allocation to the Blackpool Airport Enterprise Zone project. As the current unallocated balance would not cover the whole amount requested for the EIC Drone Command Centre project, it was agreed that when the balance of

£1.341m was reached, or a slightly lower amount as agreed between parties, it would be allocated to this project. Any further unallocated funds would be held in reserve for future decisions.

Michael Ahern and Alan Cavill returned to the room.

Resolved:

1. That the Grant Funding Agreements for the following projects, as presented, are approved:
 - ACADEME Plus
 - Padiham Town Hall Business Hub
 - STEM Technology Centre
 - Preston Western Distributor
 - Samlesbury Aerospace Enterprise Zone
2. That the Programme Manager continue to monitor the M55 St Annes Link Road project and update the Board on the position after the final deadline at the end of March 2020
3. That the Programme Manager investigate the viability of reallocating the funding from Phase 2 to Phase 1 of the Lomeshaye project, with any remaining balance to be allocated to the Northlight Call Centre and update Board members on the deliverability of the projects and transparency of the process before the next meeting so that if appropriate consideration can be given as to whether to proceed on that basis, or agree that the funding remain unallocated.
4. That officers commence the re-payment processes for Phase 1 of the Spinning Point project and that the balance for Phase 2 of the project be returned to the programme for reallocation
5. That the Lancashire Enterprise Partnership Board be recommended to approve:
 - a) the allocation of £0.800m to the Blackpool Airport Enterprise Zone project
 - b) that, when the remaining unallocated balance reaches £1.341m (or a lesser amount agreed with the applicant) the funding be allocated to the EIC Drone Command Centre project
6. That the Blackpool Conference Centre project be held on the pipeline list

10. Growth Deal Finance Report

Joanne Ainsworth, Principal Accountant – Capital and LEP, presented the finance report showing the fund's position as at February 2020.

It was noted that following approval by the Department of Transport the payment of the first tranche of the funding would be released to the Preston Western Distributor project, which would be a significant percentage of the total allocation.

Due to slippage expected in some projects, it was suggested that the process currently in place to reallocate funds be applied also to funds returned through clawback.

Resolved: the Growth Deal Management Board agreed:

1. To note the spend and forecast as presented
2. That the current project funding reallocation process be used to reallocate funds clawed back from projects