

## **LEP - Enterprise Zone Governance Committee**

### **Minutes of the Meeting held on Wednesday, 3rd November, 2021 at 12.00 pm via Zoom**

#### **Present**

David Holmes OBE

Mark Rawstron

Councillor Mark Smith

County Councillor Aidy Riggott

#### **In Attendance**

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

Laura Sales, Director of Corporate Services, Lancashire County Council

Phil Green, Director of Growth, Environment and Planning, Lancashire County Council

Sarah Kemp, Chief Executive, Lancashire Enterprise Partnership

Chris Dyson, Strategic Development Manager, Lancashire County Council

Rob Green, Head of Enterprise Zones, Blackpool Council

Nicole Billington, Marketing Officer, Growth and Prosperity Team, Blackpool Council

Dave Gorman, Senior Democratic Services Officer, Lancashire County Council

#### **1. Welcome and Apologies for Absence**

The Chairman, David Holmes, welcomed all to the meeting.

Apologies were received from David Taylor.

#### **2. Declaration of Interests**

There were no declarations of interest.

#### **3. Any Other Business**

None.

#### **4. Date of Next Meeting**

The committee noted that the next meeting was scheduled to be held virtually at 12.00pm on Wednesday, 8 December 2021.

## **5. Exclusion of the Press and Public**

**Resolved:** - That the meeting move into Part II, Private and Confidential, to consider the remaining reports 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 the report. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

## **6. Samlesbury Aerospace Enterprise Zone: Progress Report**

Chris Dyson, Strategic Development Programme Manager, Lancashire County Council, presented a private and confidential report which provided the committee with an update on the progress and the phases of Samlesbury Enterprise Zone.

It was noted that the focus was on the delivery and phasing of the EZ project, particularly to understand the next stages of work that were subject to a range of matters being concluded on the site over the next eighteen months.

The following points were highlighted:

- The Enterprise Zone is currently a very active construction site
- The county council is working very closely with partners.
- The site would have significant impact on the North-West and Lancashire Economy providing jobs, growth and investment alongside community and social value elements.
- The site is very well placed to attract businesses and companies focusing upon strong emerging factors.

It was emphasised that there was a strong focus on the potential for the EZ to be an exemplar for sustainability, the low carbon agenda and the Government's 10 points plan.

The committee were informed that work is progressing to move towards the next stage whilst maintaining that confidence in the market and in enquiries/occupiers' interest.

It was noted that there were two main stages of the development. The first being the spine road, the environment, including phased drainage programmes, the ASK facility, and the North West Advanced Manufacturing Research Centre (AMRC), and Defence Logistics Centre on site and the rest of the site then being split in to two phases (phase 2a and phase 2b) so it aligns with past reports.

Committee members were provided with a detailed description of Phase 2b and component elements. This included the extensive programme of works and information regarding the future plot preparation.

It was noted that consideration is being given to the ability to recycle/reuse and treat plots where possible to ensure that they can deliver and be sustainable.

A breakdown of any additional, available detail was requested for the next meeting.

The committee discussed the Memorandum of Understanding (MOU). It was noted that legal advice was currently being sought by the LEP from external legal advisors before it is presented to the LEP board on 23 November 2021 to request approval for the LEP Chief Executive to be authorised to sign the document.

Members were informed that there were currently lots of enquiries for the site. If the MOU was to be approved, the final phase of the Enterprise Zone would be delivered recognising the importance of the opportunity to complete the site for the broader Lancashire benefit.

It was reported that there were extensive governance structures in place, with progress closely scrutinised through the county council's Major Developments Board, reporting to the county council's Cabinet and being extensively monitored by finance colleagues. There is also a strong interest, involvement and support from the county council's portfolio holder for Economic Development and Growth.

In response to a question, it was clarified that a lot of work had been completed around the design and delivery methods for the site and that, whilst several options were available, it had been deliberately left open so as not to preclude any appropriate interests, recognising that occupiers like the flexibility. Further detail on precise requirements is awaited from a range of perspective and potentially main occupiers.

It was recommended that it would be good practice to start looking at having a site/facility management structure in place for long term management of the site and the project team referenced that this sat within one of many existing workstreams for the site and will also be linked to the role of the Commercial Agency appointed.

It was requested that a delivery model for the site be outlined and presented to the committee before the end of quarter 1 recognising that it would not be a one size fits all and will be driven by the county council's commercial strategy for the site. The committee noted that understanding the parameters and frameworks would also show transparency. This could also be used as good practice and replicated at the other EZ's.

The committee asked for a summary cost breakdown and an outline of indicative contingency levels and management reserve if applicable.

Sarah Kemp, (LEP Chief Executive) requested a summary of the financial

modelling in terms of business rate projections and pay back.

The committee felt it would also prove useful to report, if applicable, in the future how those proposed works are changing and flexing to meet emerging requirements for occupiers.

Following the discussion, committee members felt it was important that when Sarah briefed the LEP board and presented the MOU for consideration that it was made very clear that plot-specific requirements for any new potential occupiers that the county council are treating with are not yet reflected in the current presentation of works. The costs relate to the broader plot preparation, environmental and utility, infrastructure works across the entire site and do not include specific, occupier, requirements on plots.

This proposal covers general site enablement and each case on its own merits will have to be considered and reviewed in terms of the commercial proposition.

The committee was informed that there was a fully equipped financial model that facilitates the paying back of borrowing incurred by the county council through business rate growth on the EZ. This is comprehensively managed and monitored by the county council's finance team/managers. This will be summarised at the committee meetings as required as part of relevant project updates.

Further consideration would be given to see what the model would stand in terms of the ability to pay back via the rates provision recognising there is a one stop under the EZ agreement and the possibility of increasing the projected costs to include some management reserve with all the vulnerabilities that sit in the supply chain.

Officers were recommended to capture and record information in case anything caused a variance going forward.

**Resolved:** - That:

- (i) The phase 2b work programme be noted and an element of contingency to be included within the anticipated costs.
- (ii) The committee noted that the principles of the Memorandum of Understanding had been substantively agreed between Lancashire County Council and the Chief Executive of the Lancashire Enterprise Partnership in respect of the retention of business rates by the county council to repay the forward funding of the infrastructure required to deliver works at the site, pending independent legal advice.
- (iii) The committee noted that in respect of the above, the LEP Board had requested independent legal advice from external legal advisors.
- (iv) The Memorandum of Understanding with the amendments discussed by the committee be presented to the LEP Board on 23 November 2021 requesting approval the Chief Executive of the LEP be authorised to sign the document.

## **7. Samlesbury Aerospace Enterprise Zone Update**

Sarah Kemp, Chief Executive, Lancashire Enterprise Partnership, presented a private and confidential report to the committee in order to provide some insight and discussion around some of the emerging opportunities which have arisen regarding the creation of an innovation and enterprise ecosystem which supports start-up and scale-up activity, collaboration and technology adoption and diffusion.

It was noted that there is currently a gravitational pull towards Samlesbury from sector groups because of its proximity to organisations and companies which have technology and technology integration capability, therefore attracting other organisations operating in different contextual settings.

The committee recognised that there were currently pulls to other places which have the right eco system in place, and it was noted that it was important that the Samlesbury eco system was correct and working going forward to maximise potential.

It was reported that there was the need to look for something that would create that thriving environment that would be ready for start-ups to use straight away by looking at the potential opportunities and optimising the significance at Samlesbury EZ. It was highlighted that it was not clear what the delivery solution might be at this stage until further work is done to develop and test the concept.

It was noted that the purpose of the report was to provide EZ Governance Committee members with the opportunity to look at the concept and for it to be brought to one place so that they could add value and be involved in these discussions without assuming any delivery solutions as these would be developed over time as the emerging requirements of some of the occupants came to light.

The committee was asked if it would support the process and encourage partners to come forward with ideas, thoughts and concepts and to see if they could describe what the innovation eco system needed to look like and then think about how that may be delivered.

Committee members requested that an outline containing more detail including an explanation of what might be achieved, whilst being careful not to duplicate existing activity, be brought back to the Committee including a clear rationale which sets out what the funding would go towards and what would be delivered. It was also requested that the committee have sight of the possible solutions so that committee members could better understand the nature of the discussion ensuring there is no duplication.

The issue of long-term funding was also raised with clarification sought as to possible sources of funding.

It was suggested that existing partners such as Colliers, Marketing Lancashire or

Barbour's could possibly be utilised to help.

It was noted that work was already ongoing to gain an understanding of what is common and beneficial to all four enterprise zones whilst recognising what was uniquely different therefore creating different opportunities so that it could be marketed highlighting this as it adds an attractiveness for what that site is recognised for whilst collaboratively fitting in with the four Enterprise Zones.

The Chief Executive was requested to report back to a future EZ Governance Committee meeting providing more detail on questions raised including a framework that can be used as a template that can be utilised at the other zones, priorities to be determined.

The committee suggested that there should be an effective plan in place to manage, maintain and keep topical the Enterprise Zone websites to maintain interest levels ensuring that there was correct and up to date information on them and that they were brought up to date with the developments that have taken place.

It was requested that a management and maintenance plan of the websites and the marketing collateral covering 2022 for the four locations be provided to the committee at the next, or subsequent, meeting, utilising Marketing Lancashire and other partners, if required.

**Resolved:** - That:

- (i) The Chief Executive reports back to the next Enterprise Zone Governance Committee meeting with further information around the points/questions raised by committee members including a framework that can be used as a template that can be utilised at the other zones, priorities to be determined.
- (ii) A management and maintenance plan for the websites and the marketing collateral covering 2022 be developed for the four locations for consideration at the next, or subsequent, committee meeting.