



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

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LEP Governance and Sub Committees Decisions Report (Appendix 'A' refers)

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Executive Summary

This report extracts the key items considered by each of the Lancashire Enterprise Partnership (LEP) Board Sub-Committees at their recent meetings, and where applicable, contains decisions referred to the Board by the Sub-Committees for approval. The report also contains updates on Governance matters.

Recommendation

The LEP Board is asked to:

- (i) Note the final Hillhouse EZ submission submitted to Government, as approved by the Executive Committee, (attached separately within the Part II section of the agenda)
- (ii) Approve the following recommendations regarding the Skills Board:
 - a. The change of name from Lancashire Skills Board to Lancashire Skills and Employment Board
 - b. The revised Terms of Reference and Membership as set out at Appendix 'A' to this report.
 - c. Approve that Professor Andrew Atherton be replaced as a Member by Mark Allanson, effective from 31 December 2015 with Mark Allanson invited to observe Board meetings until the formal appointment date.
 - d. Delegate authority to the LEP Executive Committee to approve the appointment of the three new Private Sector Members, once identified through the selection process utilised by the Skills Board.
- (iii) Approve the appointment of Mike Damms as the second LEP Chair / Vice Chair nomination on the Transport for Lancashire Committee.
- (iv) Note the resignation of Richard Evans from the Enterprise Zone (EZ) Governance Committee and consider if it wishes to appoint another LEP Director to the EZ Governance Committee.



(v) Note the updates provided in this report from all LEP Sub-Committees.

Background and Advice

The Lancashire Enterprise Partnership Board (LEP) approved a LEP Assurance Framework on 17th March 2015 which was subsequently submitted to Government as final in April 2015. The Assurance Framework is made publically available on the LEP website: <http://www.lancashirelep.co.uk/about-us/about-the-lep.aspx>

The Assurance Framework ensures that the LEP records decisions taken by the LEP and its Sub-Committees in an open and transparent way. The purpose is to ensure that arrangements in place enabling effective and meaningful engagement of local partners and public, and that those arrangements operate transparently with LEP decisions capable of being independently scrutinised.

Since the implementation of the LEP Assurance Framework, the LEP and its Sub-Committees publish their agendas and minutes on the LEP website. In order to ensure the LEPs decision making is open and transparent in relation to the Sub-Committees this report presents updates from each of the Sub-Committees and, where applicable, contains decisions that are outside of the Sub-Committees powers and require referral to the LEP Board for approval.

1. Executive Committee

Decision Taken – 17th September 2015

At the Special LEP Board meeting held on 7th September 2015 the LEP Board considered, and gave support to the Hillhouse EZ proposal subject to satisfactory responses to suggested conditions of the bid, and delegated authority to the Executive Committee to give final approval to the bid once the conditions are met.

The Director of Economic Development, Lancashire County Council, contacted the bid team for Hillhouse and received assurances regarding the conditions stipulated by the LEP Board. It was then confirmed to the Executive Committee that the LEP Board's core concerns have been satisfactorily addressed, at this stage, with the necessary protections in place regarding any future funding calls in relation to the LEP.

Subsequently, on the 17th September 2015 the Executive Committee considered and approved a revised application for the Hillhouse EZ proposal. The final submission is attached under the Part II section of the agenda for the information of the LEP Board.



2. Transport for Lancashire Committee

Membership Update

At present the Transport for Lancashire (TfL) Committee is carrying a LEP Director vacancy. The Terms of Reference permits two LEP Director representatives - the Chair and Vice Chair or their nominees. Graham Cowley is already a nominated representative on TfL, the LEP Board are asked to consider and approve that Mike Damms be appointed as the second LEP Chair / Vice Chair nominee on TfL.

Committee Meeting – 1st October 2015

The Transport for Lancashire Committee, Chaired by County Councillor John Fillis (on behalf of County Councillor Jennifer Mein), met on the 1st October 2015. The Transport for Lancashire Committee considered reports regarding:

- (i) A6 Broughton Bypass – and recommended that full approval be given to the application.
- (ii) Blackpool Integrated Traffic Management – and recommended that funding approval be given to the application.
- (iii) Transport for the North and Lancashire Strategic Transport Prospectus update – noting the update and progress made.

The TfL Committee recommended all reports for approval by the LEP Board. The A6 Broughton Bypass and Blackpool Integrated Traffic Management applications are included in the Growth Deal Update report for approval by the LEP Board (see separate report).

The Lancashire's Strategic Transport Prospectus and wider Transport for the North Developments are presented to the LEP Board in a separate report on this agenda.

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

General Update

The first meeting of the combined City Deal Executive and Stewardship Board took place on 17th July 2015. The City Deal Infrastructure Delivery Plan (IDP) 15-18 and the HCA Business and Disposal Plan (BDP) were both approved and are now published on the LEP website.

The Annual Monitoring Return to Government confirmed that there has been a significant escalation of housing activity in the City Deal area against previous years. In 2014/15 significant progress was made in bringing forward the two largest employment sites, Cuerden and the Enterprise Zone site at Samlesbury and the



Skills Board have also overseen the preparation of a City Deal Skills and Employment Strategy which will be presented to the next combined meeting.

Work in delivering the highway schemes is on programme with the route protected for A582 dualing, a planning application for the Preston Western Distributer due for submission March 2016 and the business case for Broughton bypass being considered at this meeting for a final investment decision.

Progress on delivering the key housing sites is also going well. Sales on the first phase on Cottam Hall are positive, with a developer in contract for the second phase. Development has commenced on the first phase of Whittingham hospital which is a major milestone.

There is an increasing focus on community infrastructure requirements with work ongoing with other public sector partners to ensure that their investment plans are complementary to the nature and scale of development being brought forward as part of City Deal. At its meeting in July the Executive agreed that an Expression of Interest to the NHS Healthy New Towns Programme be made for the City Deal area. This was submitted in September.

Combined City Deal Executive and Stewardship Board – 17th July 2015

More detail regarding each the items considered at the 17th July 2015 meeting is included below.

HCA Land Assets

The Combined Stewardship Board and Executive noted report from the HCA regarding positive progress in the delivery of the HCA land assets in quarter 4 year 1 and quarter 1 year 2.

Consultant Appointment

The Combined meeting also noted the appointment of a consultant to provide professional services in appraising commercial market viability.

It was reported that the City Deal financial model contains an income stream to come from developer contributions, which will be secured and paid through a Community Infrastructure Levy (CIL) arrangements and Section 106 and Section 278 agreements.

This amount, approximately £90 million, is expected to comprise monies collected under CIL and other developer contributions secured for major development site infrastructure under s106 and s278 agreements or otherwise provided directly by the developer as part of the consented built scheme.

Following a soft market testing exercise in late summer 2014, an invitation to tender in early February, 2015 took place, followed by an evaluation exercise during March 2015. The preferred consultancy Keppie Massie was appointed, an establish firm of



surveyors and property consultants whose services include the more traditional surveying and valuation fields, together with more specialist and diverse expertise in regeneration and strategic development. The firm demonstrated to the evaluation panel's satisfaction a thorough knowledge and extensive experience of the activities required as well as providing detailed recent examples in the local area.

Infrastructure Delivery Plan

The Executive and Stewardship Board received an update on the delivery and implementation for the City Deal, including a Year 1, Quarter 4 Project Status Report and Year 1, Quarter 4 Monitoring Report.

It was highlighted that all schemes and developments that have a blue colour for their RAG rating have been completed. It was reported that a number of schemes had been completed ahead of schedule with good overall progress reported on all schemes.

The Executive and Stewardship Board noted the Infrastructure Delivery Plan update.

Community Infrastructure Update

The Executive and Stewardship Board received an update regarding the delivery of Community Infrastructure in support of development and growth under the City Deal. A report was presented that set out the scale and range of the delivery of Community Infrastructure to support new housing and business growth which has received a considerable amount of attention at all levels within the City Deal governance and delivery structures. This had been prompted, in part, by the recommendations set out within the AECOM report (City Deal Preston, South Ribble and Lancashire, Community Infrastructure Position Statement Final Report, March 2015), which concluded that the City Deal partners have considerable work to do in order that informed decisions on the type, amount and location of new Community Infrastructure. In addition, the report raised the very real prospect that the cost of this Infrastructure will outstrip funding and so partners will need to come together to determine priorities.

The Executive and Stewardship Board agreed a way forward regarding the Community Infrastructure delivery and resolved to:

- (i) Endorsed the approach set out in the report, and in doing so, agreed that officers undertake the Demographic Modelling which will inform the decisions around the sequencing of Community Infrastructure.
- (ii) Approved, in principle, the Existing Community Infrastructure (Phase 1) subject to the City Deal partners providing further detailed information; and
- (iii) Agreed that the Community Infrastructure Phase 2 be delivered under the following four headings:
 - a. Health and Social Care



- b. Education
- c. Leisure and Culture
- d. Community Infrastructure Improvements

Infrastructure Delivery Plan 2015 – 2018 Update

The Chair of the Executive, Jim Carter presented an update on the Infrastructure Delivery Plan for the period 2015 to 2018.

The City Deal Executive approved, subject to the incorporation of the minor amendment discussed at the meeting, publication of the 2015/18 Infrastructure Delivery Plan.

The Stewardship Board received the 2015/18 Infrastructure Delivery Plan and noted that its contents inform the development of the annual City Deal Business and Disposal Plan.

In addition, a Communications update was received by the combined meeting with the Executive members only receiving an update on progress made to date on the Preston Bus Station / Youth Zone development.

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

General Update

The Growth Deal Management Board held its first meeting on 8 July 2015 and is now meeting approximately every 6 weeks. Terms of Reference, have been formalised and the Monitoring and Evaluation Sub Group established. Following the LEP's agreement to invest in the Monitoring and Evaluation framework an Invitation to Tender (ITT) has been published with an expectation to award the commission before the end of 2015. Monitoring will be completed "in house" with the external commission focusing on evaluation of project outcomes

A focus on understanding and maximising the impact of growth deal investment is emerging as a priority for the Board, and to this end there is sufficient flexibility being built into the work programme to allow for this to feature as part of Board meetings

The core legal Local Growth Fund agreement has been prepared with 4 projects now in a position to draw down growth fund monies and report progress, as per agreed expenditure and milestone profiles.

When the financial profile for the programme was reviewed on 8 September 2015, the Growth Deal Management Board were satisfied that the Year 1 financial profile is on track. For additional information see item 4 below



The Skills Board issued a “call” for Skills Capital projects during week commencing 14 September with a deadline for returns at the beginning of November. Time is clearly short to achieve this scale of investment so GDMB will focus on this issue over the coming months

4 Growth Deal projects will be considered for final investment decisions by LEP Board at its meeting.

Board Meeting – 8th September 2015

The second formal Growth Deal Management Board (GDMB) meeting was held on 8th September 2015, Chaired by Graham Cowley.

Monitoring and Evaluation Sub Group

With regard to evaluation it was reported that an external consultant would be sought to undertake a standard level of evaluation of all growth deal projects together with a more in depth evaluation of a small number of projects (exemplars) and an overall evaluation of the Growth Deal Programme. A previous version of the invitation to tender (ITT) had been redrafted to reflect the revised approach and it was noted that once the external consultant had been appointed links with the Monitoring and Evaluation Sub Group would be established.

Further to the discussions at the last meeting regarding the HM Treasury AQUA Book it was reported that the guidance had been incorporated into the ITT particularly in relation to the adoption of some of the principles around ensuring compliance with the analysis of evaluation and reporting.

The GDMB was informed that the ITT would be published on the 14th September 2015.

Skill Capital Fund – Round 2 Investment (2016-2017)

The GDMB received a report regarding the Skills Capital Fund Round 2 investments and resolved:

- (i) That publicity associated with Round 2 of the Growth Deal Skills Capital Funding make it clear that applications can be made for 2016/17 and 2017/18 and that those EOI accompanied by a business case would be fast tracked through the process.
- (ii) That applications submitted in relation to 2016/17 be treated as a priority and those for 2017/18 be used to develop a pipeline of future projects.

Social Value

The GDMB received a report in response to the request at the last meeting for further information on how best to identify/capture social impacts and ensure they



are taken into account in future decision making in accordance with the requirements of the Public Services (Social Value) Act 2012 and resolved:

- (i) That further research be undertaken into approaches in other sub-regions and in relation to identifying examples of good practice.
- (ii) That further discussion is undertaken with relevant teams in Lancashire County Council, including the Programme Office, in order to understand the current position.
- (iii) That a report be taken to the next Lancashire Skills Board raising awareness of the Social Value Act and suggesting that the Board take the strategic lead in articulating the potential outcomes and benefits, aligning outcomes with the evolving Lancashire Skills and Employment Framework.
- (iv) That a further report be brought to the next Growth Deal Management Board on the 21st October 2015 to provide an up-date on progress.

Blackburn Pipeline Projects - Presentation

The GDMB received a presentation on the Growth and Development Pipeline which had been developed by Blackburn with Darwen Borough Council.

In considering the presentation the Committee noted that the process which had been developed involved a robust business case methodology which ensured potential projects were prioritised and had had incentivised the development of a range of projects which would ultimately generate future income for the authority.

Growth Deal Finance Summary

The GDMB received a report to update the Committee in relation to the financial aspects of the Local Growth Fund and resolved:

- (i) That the Growth Fund Profile, as set out in Appendix 'A' to the report presented be accepted following the adjustments made from the last meeting.
- (ii) That both the spend to date and the spend to be made in 2015-16 are noted.
- (iii) That the 2015-16 in year spend be balanced in accordance with the City Deal project funding set out in report presented.
- (iv) That the Lancashire Skills Board be requested to consider the future unallocated skills programme of £12.63m which is required to be spent in 2016/17 and identify suitable projects for funding. Should the 'best' projects require 2017/18 or later funding that these are not ruled out and



brought to the Growth Deal Management Board for consideration along with the whole programme position.

Blackpool and Fylde College - Lancashire Energy HQ

The GDMB received a report at the meeting regarding this project in response to concerns raised at the last meeting regarding the significance of variations between the original project and the proposed alternative location and resolved:

- (i) That the Committee note -
 - a) the variance between the milestones in the approved business case and those which will be achieved on the relocated site, as set out in the report presented.
 - b) that the outputs and outcomes set out in the approved business case remain unchanged;
 - c) that the Skills Funding Agency are undertaking an independent appraisal of the Estate Needs and Finance section of the business case;
 - d) that the revised funding profile can be accommodated through the City Deal balancing mechanism already agreed by the Committee
- (ii) That Officers continue to discuss abortive project costs with the project sponsor.
- (iii) That a report be presented to the next meeting of the Committee in order to review progress and determine, if appropriate, any further action that needs to be undertaken.

Full agendas and minutes for the Growth Deal Management Board meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1218>

5. Enterprise Zone Governance Committee

General Update

At its first formal meeting the EZ Committee received a presentation on development options for the Samlesbury site. Detailed technical work is now underway to further define plot layout, infrastructure and utilities provision and site landscaping in line with the agreed masterplan for the site. This work is being informed by a full external consultant team. The County Council in its role as master developer for the site is procuring commercial agents for the Samlesbury site who will be appointed before



the end of the year. A Development Board for the Samlesbury site, Chaired by David Taylor, is being established to support the Committee.

The LEP Board will be aware of the EZ proposals for Blackpool Airport Corridor and Hillhouse International Business Park. HMG are expected to make formal announcements on both these sites in the coming months.

Membership Update

Richard Evans, LEP Director, has given notification that has a conflict of interest with regard to the Enterprise Zone and has resigned from the Enterprise Zone Governance Committee. The LEP Board is asked to consider if it wishes to appoint another LEP Director to the EZ Governance Committee to replace Richard Evans.

Committee Meeting – 16th July 2015

The first formal meeting of the Enterprise Zone Governance Committee, Chaired by Edwin Booth, was held on 16th July 2015.

Enterprise Zone – Overview Presentation

The Committee received a presentation that set the background and context of the three Enterprise Zones from 2011 to now.

The Committee discussed in detail the sites and activities on-going and proposed at these sites, covering site developments, sources of funding and outline costs.

The Committee was informed that the costs associated with the resourcing of the development team were to be met, up to now, from existing resources. A report regarding costs would be presented to a future meeting of this Committee.

The Committee was also informed of the planned marketing and communications activities.

The Committee also noted the timetable for the next steps as set out in the presentation given and resolved:

- (i) That any future role of DevCo be clarified.
- (ii) That expenditure of £100,000 (from existing budgets) be authorised to prepare the commercial development framework and marketing strategy.
- (iii) That a full professional team be procured to support LCC in its role as Master Developer.
- (iv) To the establishment of a Development Board, to undertake the tasks set out in the presentation given, and to report directly to this Committee.



- (v) That a review of the Terms of Reference and membership for the Enterprise Zone Governance Committee Programme Board and Project Board be conducted.

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 Board

General Update on the Skills Board

The Growth Deal Skills Capital call was launched on Monday 14th September for the remaining £12.6m in the Growth Deal programme. An information event was held on Monday 21st September; 13 providers from across Lancashire attended. Details of the call and the slides from the event are on the LEP website.

Executive summaries of the Lancashire comprehensive skills and employment evidence base and the 6 sector studies are currently being finalised with view to publication on the LEP website by mid-October. The 96 issues and actions identified in the studies have been summarised and compiled into a draft Lancashire Skills and Employment Strategic Framework. A number of consultation events are being planned to finalise the framework and agree ownership of actions. The framework will set the priorities for Lancashire and thus be used to influence mainstream funding and activity, direct the use of discretionary funding e.g. ESIF and Growth Deal, and focus current skills and employment provision. The framework will also be used to support the development of the LEPs approach to incorporating social value into procurement processes for Growth Deal funds.

The Skills Board are seeking private sector members to fill current vacancies. A deadline of Wednesday 21st October has been set; interested private sector representatives should be directed to the Lancashire Skills Hub Director, Dr Michele Lawty-Jones (Michele.lawty-jones@lancashire.gov.uk). The Skills Board Members are particularly interested in hearing from people who are from the creative and digital sector, energy and environmental, the visitor economy or health and social care sectors, to increase the balance of sector perspectives at on the Board.

Board Meeting – 10th September 2015

The Lancashire Skills Board (LSB), Chaired by Amanda Melton, met on 10th September 2015.

Public Services (Social Value) Act 2012

The LSB received a report in response to a request by the Growth Deal Management Board for suggestions as to how best to identify/capture social impacts and ensure that they are taken into account in future decision making in accordance with the requirements of the Public Services (Social Value) Act 2012 and resolved:



- (i) That the Lancashire Skills Board take the strategic lead in articulating the potential outcomes and benefits of social value and align outcomes with the evolving Lancashire Skills and Employment Framework.
- (ii) That the Skills Hub work with relevant teams at the County Council, including the Programme Office, in order to better understand the current position.
- (iii) That the Skills Hub explore the offers of assistance from UCLan and Forbes Solicitors in connection with research into good practice and approaches in other sub-regions in relation to social value.
- (iv) That the Committee be kept informed of further developments.

Growth Deal Skills Capital

The LSB received a report that following the last meeting the timescales for the launch and completion of the Growth Deal Skills Capital Round 2 had been revised and agreed with the Skills Funding Agency (SFA).

It was noted that in order to enable both the SFA to provide feedback and the Committee to consider the Expression of Interest recommendations before they are submitted to the LEP Board for approval it would be necessary to change the date of the meeting in December.

The LSB therefore resolved:

- (i) That the revised timetable for the Growth Deal Skills Capital Round 2, as set out in the report presented, is approved.
- (ii) That the meeting scheduled for the 3rd December 2015 is cancelled and rearranged for 8.00am on the 10th December 2015 in Room A05 at County Hall, Preston.

Lancashire Skills and Employment Framework

An updated version of the Lancashire Skills and Employment Framework was presented to the LSB. It had been amended in response to feedback from the Lancashire Skills Board Away Day in August and the completion of the studies and further analysis of the findings and recommendations. The LSB resolved:

That the Lancashire Skills and Employment Framework, as set out in the report presented, is approved for consultation with local authority Chief Executives and key stakeholders, including providers and employers.



Update to Name, Terms of Reference and Membership of the Lancashire Skills Board

At the Lancashire Skills Board meeting held on 10th September 2015 it was proposed that both the name and Terms of Reference of the Committee be amended to better reflect its role and purpose in the future. Requests were made at the meeting for the wording of the Terms of Reference to be further amended to refer to 'Blackpool and the Fylde College' and for Joanne Pickering to be shown as 'Director of the HR, Training and Quality at Forbes Solicitors and Chair of the Lancashire HR Employers Network.'

In addition it was proposed to change the name of the Lancashire Skills Board to Lancashire Skills and Employment Board.

Subsequently, it was proposed to add three additional Private Sector representatives to the Skills Board which would take the total number of Private Sector representatives to six. Which in addition to the five members drawn from the training, skills and higher education sectors increases the total number of Members from 10 to 11.

Notification has also been received that current Further Education Member Professor Andrew Atherton (Lancaster University) plans to retire at end of December 2015 and has therefore advised he will step down from the Board.

Mark Allanson, Pro Vice Chancellor, Edge Hill University has been approached to taken over from Professor Atherton. In the interim it is further proposed that Mark Allanson shadows Board meetings and attends in an Observer capacity until end of December 2015 prior to formally taking over as the new Board Member.

The LEP Board are therefore asked to agree to remove Andrew Atherton with effect from 31 December 2015 and appoint Mark Allanson with effect from 1 January 2016 to the Skills Board and approved the revised Terms of Reference as attached at Appendix 'A' to this report.

With regard to the appointment of the three new Private Sector Members, it is proposed that the Lancashire Skills and Employment Board identify, through a selection process, suggested nominations and in the interests of appointing the new Private Sector Members quickly that the LEP Executive Committee be delegated authority to approve the nominations once identified.

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

Meeting Arranged – 30th November 2015

The first formal meeting of the Performance Committee, Chaired by Richard Evans, will be held on 30th November 2015. In the meantime informal meetings have been held with the Chair and other Committee Members to establish work streams in advance of the first formal Committee meeting. A full meeting programme has now been set for future Performance Committee meetings.

Full agendas and minutes for the Performance Committee meetings will be accessible here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1216>

8. Business Support Management Board

Meeting Arranged – 28th October 2015

The date of the first meeting of the LEP Business Support Management Board has now been confirmed as the 28th October 2015. The sub-group will be Chaired by Mike Blackburn with Mike Damms as Deputy. The remit of the group will be to oversee the strategy for and investment in publicly funded business support activity in Lancashire including the provision of business finance. This activity will be supported by a business support delivery audit (reporting in January) and the opportunity to develop and ratify the scope of business support projects seeking ESIF funding.

The current Boost Growth Hub project has now supported over 1,200 businesses, provided start-up advice to 272 people, created over 900 jobs and increased GVA within businesses assisted by £14.6m. This project is now seeking to move forward to a new funding cycle, benefiting from further LCC and ERDF investment to sustain the Growth Hub through to the end 2018. We anticipate a decision on ERDF funding will be confirmed in late October.

Full agendas and minutes for the Business Support Management Board meetings will be accessible here:

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